

## ABCs of Continuing Care

Continuing care retirement communities (CCRCs) offer older adults a vibrant lifestyle now and peace of mind for the future. CCRCs differ in the type of continuing care program offered.

**Type A**—A CCRC in which fees include the residence, a host of services and amenities, and full access to an on-site care center providing assisted living, memory support/ Alzheimer's care and skilled nursing care. Care is included in the CCRC's residency agreement for approved individuals. Monthly fees do not increase upon moving into the care center, except for the cost of additional meals and ancillary items.

**Type B**—A CCRC in which a limited number of days of care per quarter or lifetime is provided without added charges. Additional days are billed at market rate, or a discounted rate in some cases. If both members of a couple require two different levels of care, or one remains in independent living, they may pay two monthly fees once their coverage is exhausted.

**Type C**—A fee-for-service CCRC where residents pay a market rate for all care services. Rates vary depending on the quality and location of the care center. ■



## Does Your Home Own You?

A home is often our biggest financial asset, one that we expect to serve us well now and into the future. If you own your home outright, you may think it is the best option for low-cost, secure living. But you could be paying more than you realize—both in home maintenance and in a lost opportunity to pursue all of your varied interests.

For starters, there is no such thing as an expense-free home. The dozen or so bills you pay for gas or oil, electricity, water, sewer, phone, security, cable, housekeeping, trash removal and landscaping—plus periodic insurance and property tax bills—can be as much as \$5,000 or more, when figured monthly.

The older and bigger the home, the more likely it requires major improvements. Experts recommend putting aside five percent of a home's value for projects like replacing the roof, the heating and cooling system, plumbing or dated appliances. If a home is worth \$900,000, for example, it may need repairs costing \$45,000.

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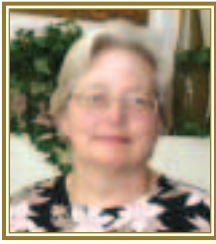
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# People in the Know

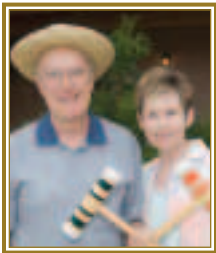


"Being a CPA who is aware of how a decision can affect you financially today and 10 years down the road was important in my choosing to move to Classic Residence by

Hyatt with my husband. We know that whatever life care we may need in the future will be provided there without our having to pay significantly higher fees."

—Lorraine Dum

*Classic Residence by Hyatt in Highlands Ranch  
(under development in Colorado)*



"Choosing the lifestyle at Classic Residence by Hyatt is one of the best decisions we've ever made. While life care is a big initial investment, a substantial portion of the entrance fee is refundable,

and the monthly fee is about the same as you pay for maintaining your home. Plus, the benefits of life care provide tremendous security; if either of us needs additional care, our care center is just three minutes away, and its services are included in our monthly fee."

—Larry and Jane McGrath

*Classic Residence by Hyatt and The Plaza Companies  
Scottsdale, Arizona*



"The amenities at Classic Residence by Hyatt are beyond my expectations. I am very pleased with the library, the rooms for socializing and entertaining family, the

bistro and the fitness center, where I work out six days a week."

—Ray Del Campo

*Classic Residence by Hyatt at The Glen  
Glenview, Illinois*

## Does Your Home Own You?

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Then there is the hassle of researching and hiring contractors and the time required to oversee the work. It is no wonder that the U.S. Census Bureau's American Housing Survey indicates that older adults represent nearly one-third of all homeowners who avoid maintenance altogether. They may find that their home has turned from an asset into a burden that consumes time and resources they would prefer to dedicate to more important things.

### Peace of Mind for You and Your Family

If you would rather enjoy your free time now and ensure peace of mind for the future, you might want to consider the benefits of moving to a continuing care retirement community (CCRC). This type of older adult living offers you and your spouse an engaging lifestyle and the opportunity to meet new friends without the concerns of home ownership. At a Classic Residence by Hyatt Type A CCRC (see page 1), a one-time entrance fee and a monthly fee cover your residence, fine dining, housekeeping, maintenance, scheduled transportation, fitness and wellness facilities, and a wide range of social and cultural opportunities.

Plus, should the need arise for assisted living, memory support/Alzheimer's care or skilled nursing care, and if you are approved for our continuing care program, you can move to the on-site care center and continue to pay the same monthly fee charged for your independent living residence, plus charges for additional meals and ancillary items. Care at these rates is available for an unlimited period for approved individuals. Because the monthly fee you pay for our continuing care program does not increase if you move to the care center, you will typically pay less for care center services than you would pay for such services at a comparable care facility without a continuing care contract.

As with any service, periodic increases in the monthly fee may apply, but there are no surprises regarding unplanned long-term care expenses. The best time to consider a CCRC is now, while you qualify for continuing care and can enjoy the community's many wonderful features. By choosing to use your home's value and your income to cover a CCRC's entrance fee and monthly fees, you are investing in peace of mind for yourself, your spouse and your entire family. What is more, a significant portion of your entrance fee may be returnable to you, your family or your estate upon move-out. Considering all the advantages that CCRCs offer, it is a great asset to have—one you can call home, and then some. ■

# Case Study

## The Bradleys Ask:

*Should We Move  
to a Continuing Care  
Retirement Community?*

Let us look at a fictional couple, Charles and Susan Bradley, to see why people choose a continuing care retirement community (CCRC).

In their early 70s and married for 47 years, the Bradleys are eager to enjoy life more freely now that Charles has retired and their grown children are pursuing their own lives. The Bradleys' 10-room home is just too big for the two of them. Charles yearns to spend more time playing golf and less time maintaining the house, grounds and pool. Susan would love to devote herself to hobbies, socializing and community service instead of planning and preparing meals every day and managing their home-related bills.

Years ago they paid off the mortgage on their house, which is now worth \$900,000. They live comfortably on a monthly income of \$10,500 from investments and other sources, yet they have grown increasingly concerned about the potential need for long-term care, what it might cost and where they would find quality care. They are also worried about burdening their children with their care decisions and their home's upkeep should one or both of them become ill.

So Charles and Susan visited a CCRC. They selected a spacious two-bedroom residence with a private balcony and views of the landscaped grounds. Complimentary move-in coordination services helped make their move easy and quick.

Today, Charles uses the pool year-round without worrying about its upkeep. Instead, he plays golf as often as he wishes with his new friends. Susan enjoys tai chi classes, the residents' book discussion group, cultural outings with her neighbors and volunteering at a local school.

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Did you know that you may benefit from tax advantages by living at a CCRC?

The portion of your entrance fee allocated to health care may be deducted as a medical expense on income taxes.

Consult your tax adviser for more information.

### THE BRADLEYS' ASSETS

Property value . . . . .	\$ 900,000
Stocks/mutual funds . . . . .	\$ 700,000
Certificates of deposit/treasuries . . . . .	\$ 200,000
Savings account/money market . . . . .	\$ 75,000
Checking account . . . . .	\$ 25,000
Total assets . . . . .	\$1,900,000

### THE BRADLEYS' MONTHLY INCOME

Pension/401(k)/other payments . . . . .	\$ 7,500
Social Security . . . . .	\$ 3,000
Total monthly income . . . . .	\$ 10,500

### THE BRADLEYS' MONTHLY LIVING COSTS IN THEIR CURRENT HOME

Utilities, home maintenance, groceries, property taxes, cable, recreation, major home repairs, etc. . . . .	\$ 5,000
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### THE BRADLEYS' NEW HOME AT A CCRC

Two-bedroom, two-bath home with private balcony	
Entrance fee for two residents . . . . .	\$ 525,000
Monthly fee for two residents . . . . .	\$ 3,300

# Finding the Hidden Costs

## *of Home Maintenance*



If you are like most homeowners, when the water heater clunks, the furnace falters, or the roof or pool leaks, you probably groan. Not only are you in for more expense, but also for the hassles that make home upkeep aggravating and costly.

First, there is your valuable time. Tracking maintenance schedules and warranties on everything from air conditioning to exterior masonry, windows and the asphalt driveway requires your regular attention. So does identifying the right service people, then calling and comparing bids

from multiple contractors. Finally, you have to wait for them to arrive for appointments (you hope they are on time) and stay home to oversee the work once it is underway. And if a job is not completed properly, there is the headache of resolving the situation.

Or, you could live at Classic Residence by Hyatt. With maintenance of your personal residence, all buildings and the grounds taken care of, you are free to maintain your recreational and social schedule instead, or simply to relax. It is up to you. ■

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*At Classic Residence by Hyatt,  
you are free to maintain your  
social schedule instead.*

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*Residents of CCRCs enjoy both an enriching lifestyle and peace of mind.*

# Comparing

## *Long-Term Care Insurance to Living at a CCRC*

Americans are living longer than ever before due to healthier lifestyles and better health care, yet their need for high-cost medical and long-term care is rising, too. Companies issuing long-term care insurance say it is the best way to plan for extended-care costs in the future. Yet, according to a story in *Consumer Reports*, some companies have raised premiums by 50 percent or more on policyholders. People considering their options for long-term care should compare insurance to the advantages of moving to a continuing care retirement community (CCRC).

With long-term care insurance, you pay regular premiums that cover a portion of long-term care. If you are age 65 when you purchase a policy, your premiums can cost \$5,040 annually (with premiums paid by age 85 totaling \$100,800), according to a very general quote from Allstate and Genworth Financial. Individuals' policies will vary based on many factors and individual circumstances. A 70-year-old may pay an annual premium of \$7,470 (and a total of \$112,050

by age 85), while a 75-year-old may pay an annual premium of \$12,015 (and a total of \$120,150 by age 85).

It is wise to research insurance companies offering this type of policy. Unless you choose a financially stable company, it may not be around years from now when you need to make a claim. Then you must try to ascertain what your and your spouse's needs might be and buy the appropriate amount of coverage far in

advance of needing it.

Time and convenience are two more factors to consider. Insurance may cover the services, but trying to research and choose high-quality, professional care when you need it most—or burdening a family member with the task at the last minute—is stressful and allows little time to make an educated decision. It may be difficult to find quality care in a luxury setting quickly. Plus, if you choose to have insurance pay for at-home care, will you or your family be able to oversee the caregiver and manage the home? That can be an overwhelming job.

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*It may be difficult to  
find quality care quickly.*

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# The Value of Continuing Care

Continuing care programs offer greater peace of mind as your needs change. Should you or your spouse ever require such care, the choices for obtaining it can be confusing, but the ramifications and costs of your choice can become very clear when the bills arrive.

The chart below summarizes what skilled nursing care can cost on average annually in a nursing home, in your own home and if you are a qualified resident at Classic Residence by Hyatt. Costs are listed with long-term care insurance and without it. Study the differences and note the final cost. ■

<p><b>A Private Room in a Nursing Home</b></p> <p>Skilled nursing care 24 hours a day, 7 days a week Private room Away from spouse, friends and family</p>	<p>12 Months Average Cost</p> <p><b>\$20,095</b> With insurance*</p> <p><b>\$74,095</b> Without insurance</p>
<p><b>A Shared Room in a Nursing Home</b></p> <p>Skilled nursing care 24 hours a day, 7 days a week Shared room Away from spouse, friends and family</p>	<p>12 Months Average Cost</p> <p><b>\$10,240</b> With insurance*</p> <p><b>\$64,240</b> Without insurance</p>
<p><b>Your Own Home with Home Nurse and Non-Medical Aide**</b></p> <p>Skilled nursing care 1 hour a day, 7 days a week Live-in help with personal care, shopping, meal preparation, housekeeping 7 days a week Near spouse, friends and family</p>	<p>12 Months Average Cost</p> <p><b>\$50,025</b> With insurance*</p> <p><b>\$97,455</b> Without insurance</p>
<p><b>Skilled Nursing at Classic Residence by Hyatt</b></p> <p>Skilled nursing care 24 hours a day, 7 days a week Private room (most communities) Individualized care plan addressing your specific needs Near spouse, friends and family</p>	<p><b>Included in your fees for an unlimited period.</b></p>

Source: MetLife Market Survey of Nursing Home and Home Care Costs. Basic Statistics About Home Care, National Association of Home Care and Hospice, Research Department 2004 publication. Medicare Chartbook 3rd Edition, Summer 2005. \*For estimates that include long-term care insurance, it is assumed that you have a policy with a daily benefit limit of \$150. Payment for costs above that benefit comes out of your own pocket. For samples of those costs, please see the article on long-term care insurance on page 5. \*\*Costs in this scenario represent live-in care by a home health aide at a rate of \$200 per day (\$73,000 per year) and a daily, one-hour visit by a registered nurse (RN) at a rate of \$67 per day (\$24,455 per year). Those who choose to receive care at home must continue paying all home-related costs, in addition to covering these care costs, and overseeing the home's maintenance.

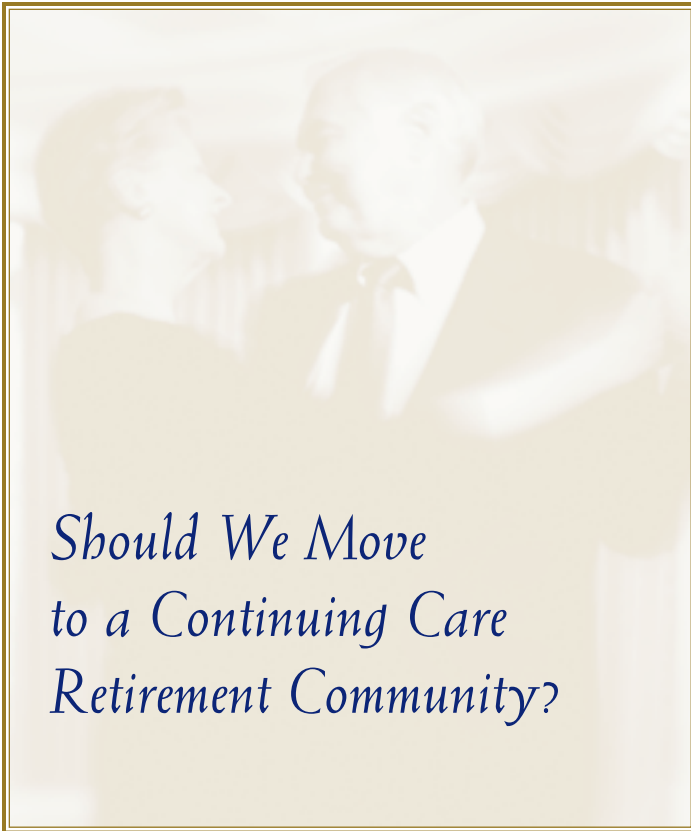
## Priceless Benefits

Classic Residence by Hyatt offers many intangible benefits that make the difference between long-term care and long-term caring.

- Each community focuses on whole-person wellness for all residents, from those who live in independent or assisted living to those who require skilled nursing care.
- Residents have peace of mind, knowing that quality assisted living, memory support/Alzheimer's care and skilled nursing care are covered under the continuing care contract and are available on site, should the need arise.
- Residents living in the care center benefit from an individualized plan of care and can participate in activities that are tailored to their interests and abilities. Residents' self-sufficiency is encouraged and supported.
- Spouses and friends can visit often in the convenient, on-site care center. Spouses have confidence in the care center's professional and compassionate staff. The spouse does not have to manage care providers in the home, which is better for his or her own health.

Perhaps most importantly, you are making your own choices about your future rather than waiting until an unplanned medical crisis occurs, which could lead to making compromises in a stressful situation. ■

## Case Study: **The Bradleys** (continued from page 3)



Moving to a CCRC offered the Bradleys the lifestyle that they desired—at a level they could afford. Their home's sale price more than covered the entrance fee, a portion of which may be returned to them or their estate upon move-out, depending upon the terms of their CCRC residency agreement. When they eventually do leave, there will be no risk to them or their estate of having to market and sell the apartment and continue to pay monthly fees. Moreover, their income takes care of the monthly fee (which includes a dining plan, housekeeping, transportation and more), with funds left over to invest or to visit grandchildren.

The Bradleys enjoy the privacy of their residence, delicious and health-conscious cuisine, plus the busy social life of a club. Most importantly, they feel good knowing that quality care is available to them, if needed. It is this safeguard against unexpected long-term care costs that brings Charles and Susan the peace of mind they have never known before.

To learn if living at a CCRC is right for you, take a moment to complete the *Compare the Value* worksheet. Then contact a Classic Residence by Hyatt community near you for a complimentary consultation. ■

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## Comparing Long-Term Care Insurance to Living at a CCRC (continued from page 5)

Instead, what you would pay for premiums could be applied toward the entrance fee or monthly fee at a CCRC, which offers more than just coverage; the community provides the care itself. If you qualify, you will be able to receive high-quality long-term care. It is offered on site, where you are already living, near your spouse and friends. Plus, you can enjoy the many other wonderful amenities that the community offers from the day you move in.

And if you already have long-term care insurance, you may still want to live at a CCRC for its many

lifestyle benefits that insurance cannot provide. Also, your policy could cover charges that are not included in the monthly fee (for example, rehabilitation therapy), a portion of the monthly fee itself, or home health care charges. And be sure to check with your tax adviser. You may be pleasantly surprised to learn just how advantageous the tax benefits of living at a CCRC can be.

While long-term care insurance provides a set amount of specific benefits, it is easy to see the value that CCRCs offer you and your family. ■

## About Classic Residence by Hyatt

Since our beginnings in 1987, Classic Residence by Hyatt has earned our reputation as a national leader in luxury senior living by focusing on you, our resident. We strive to provide you with high-quality service delivered with respect and dignity. We are dedicated to making your experience at Classic Residence by Hyatt one that you will enjoy—and that you will share with your family and friends.

Classic Residence by Hyatt communities have earned honors for being among the nation's finest, including Best of Seniors' Housing Platinum, Gold and Silver Awards from the National Association of Home Builders 50+ Housing Council.

For more information about Classic Residence by Hyatt continuing care and rental communities from coast to coast, visit our Web site at [www.hyattclassic.com](http://www.hyattclassic.com)



Classic Residence by Hyatt and The Plaza Companies  
Scottsdale, Arizona  
1-800-724-5396



Classic Residence by Hyatt  
Palo Alto, California  
1-866-345-1234



Classic Residence by Hyatt at La Jolla Village  
San Diego, California  
1-800-995-5392



Classic Residence by Hyatt  
Highlands Ranch, Colorado  
1-866-415-1234  
*Opening 2008*



Classic Residence by Hyatt  
Aventura, Florida  
1-800-522-8662



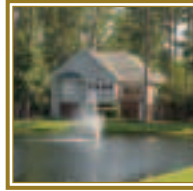
Classic Residence by Hyatt at Lakeside Village  
Lantana, Florida  
1-800-354-2630



Bentley Village, A Classic Residence by Hyatt  
Naples, Florida  
1-888-945-1121



Classic Residence by Hyatt at The Glen  
Glenview, Illinois  
1-800-934-4720



TidePointe, A Classic Residence by Hyatt  
Hilton Head Island, South Carolina  
1-800-386-8433

### *Under Development*



Classic Residence at Silverstone  
Scottsdale, Arizona  
1-800-986-5212  
*Opening 2010*

Our rental communities are located in Monterey, California; Boca Raton, Hollywood, Plantation, and Pompano Beach, Florida; Chevy Chase, Maryland; Reno, Nevada; Teaneck New Jersey; Yonkers and New York.