



Life Insurance with Long Term Care
2023 OPEN ENROLLMENT

WHAT IS LONG TERM CARE?



Long Term Care benefits are triggered by the inability to perform 2 of 6 Activities of Daily Living and help is expected to last at least 90 days

OR

Severe Cognitive Impairment (generally Alzheimer's or Dementia)

AND

Plan of care prescribed by a licensed health provider

Activities of Daily Living

| | | |
|-----------|--------------|----------|
| Bathing | Transferring | Eating |
| Toileting | Continence | Dressing |

THE COST OF LONG TERM CARE



- 70% will need long term care after turning age 65
- Several things increase the risk of needing long term care
 - **Age:** Risk generally increases as people get older
 - **Gender:** Women are at higher risk than men, primarily because they often live longer
 - **Marital status:** Single people are more likely than married people to need care from a paid provider
 - **Health and family history**
- The lifetime cost of care today averages \$172,000 per person

WHY IS LONG TERM CARE A LEGISLATIVE ISSUE?

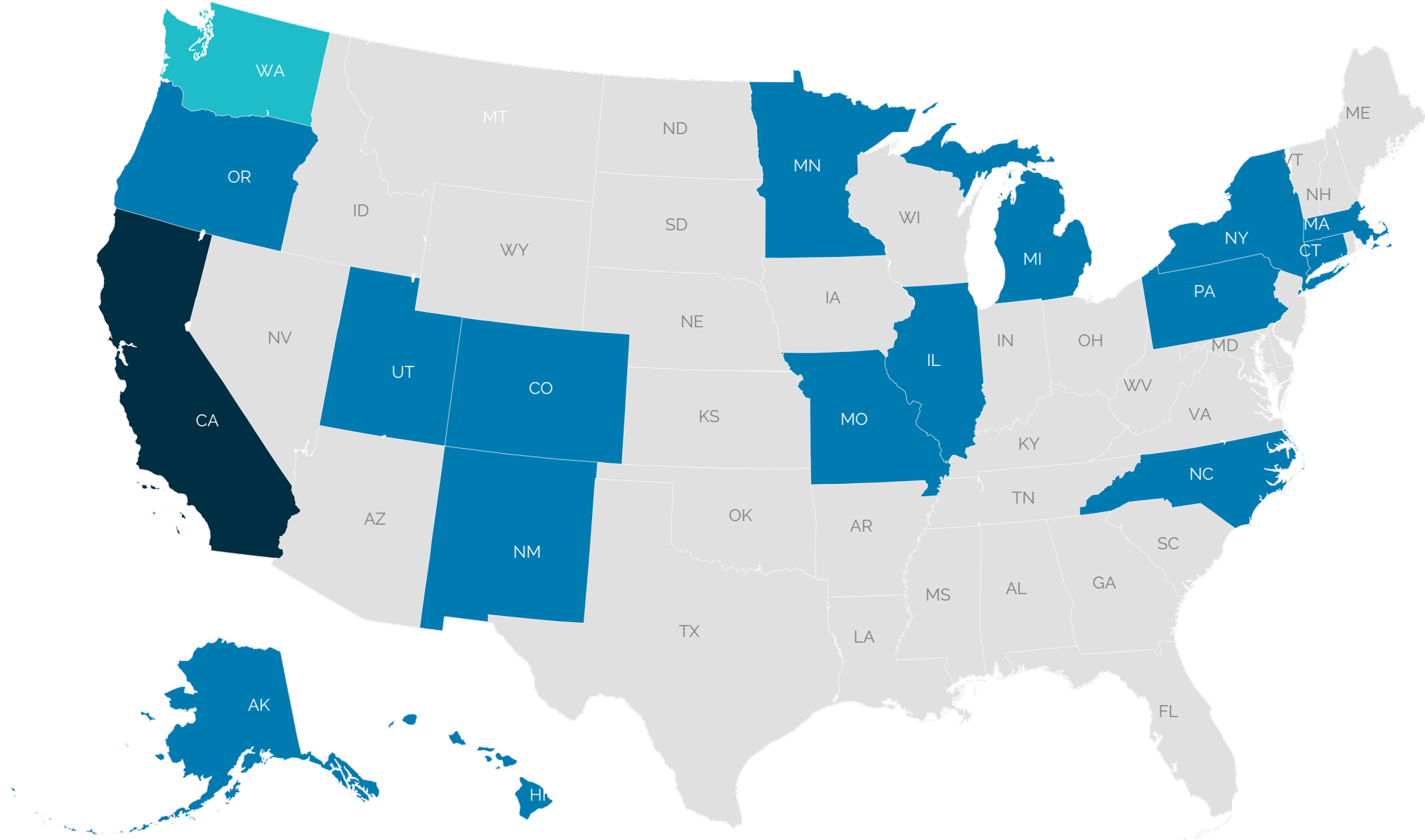


- U.S. does not have a national LTC funding strategy
- Health and disability insurance exclude LTC services
- Medicare offers minimal coverage, generally acute care on a short-term basis
- Medicaid is the dominant source of payment for LTC and pays over 60% of total LTC costs in the U.S.
- Medicaid is a payer of last resort, typically requiring you to deplete assets in order to access
- Pandemic impact on providers + increasing demand for care = more expensive care services

STATE LONG TERM CARE LEGISLATION

Spotlight: WA Cares Fund

- 0.58% payroll tax eff. 7/1/23
- Payroll tax did not include an income cap
- \$36,500 maximum lifetime benefit
- 39% of eligible population opted out by securing private coverage



■ Legislation Passed
 ■ Task Force Developing Legislation
 ■ Considering Long Term Care Funding Legislation

WHY PERMANENT LIFE



Permanent life insurance generally refers to one of three types of coverage: whole life, universal life, or permanent term life.

Your available Trustmark benefit is a Universal Life plan.

Why enroll in Life Insurance with Long Term Care?

- Your Life Insurance policy has Long Term Care benefits that pay 4% of the policy amount you elected monthly for 25 months, so you have a guaranteed death benefit in addition to Long Term Care benefits, should you need them. Standalone LTC policies are 'use it or lose it' – meaning if you never need LTC services, you won't receive any benefit payout, despite years of paying premium.
- Trustmark's Benefit Restoration provision allows for the full death benefit to be paid, even if you access your coverage to pay for long term care services – essentially giving you a two-in-one policy.
- Premiums are based on your issue age and will not increase due to age over time.

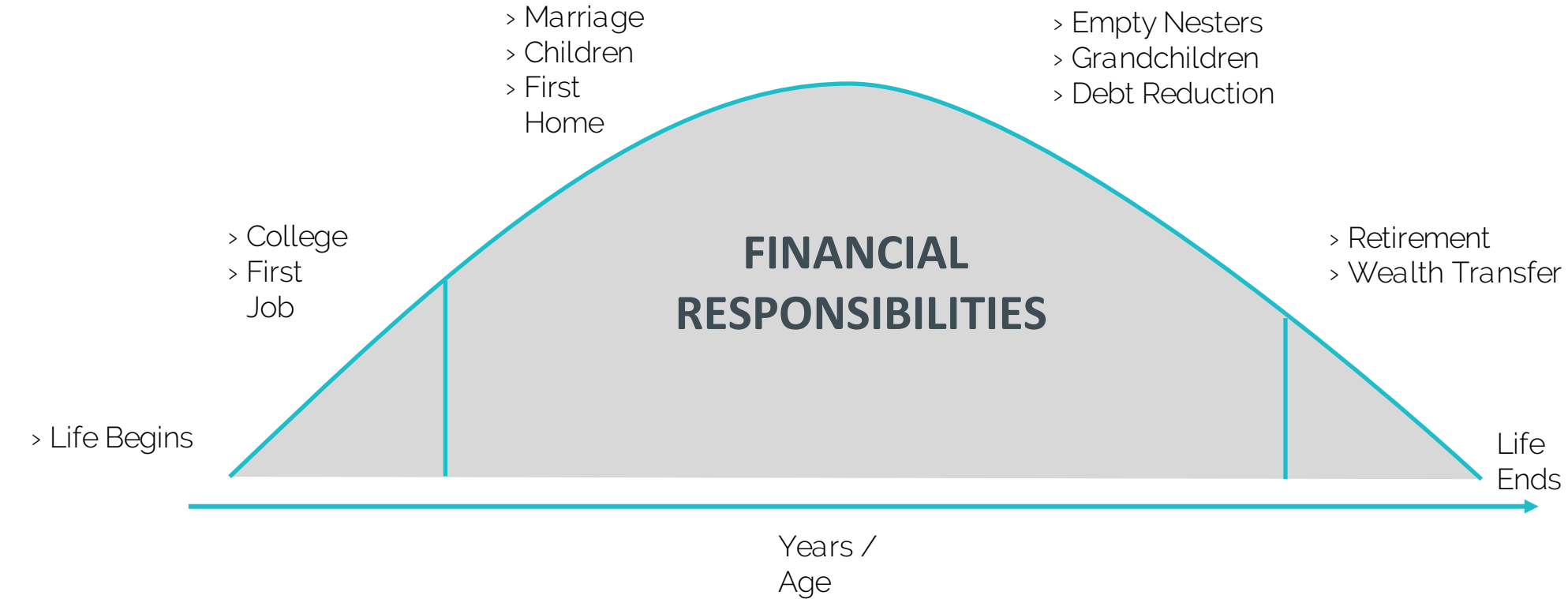
WHY PERMANENT LIFE INSURANCE?



What if I already have life insurance through my employer?

Life insurance needs change over the course of a lifetime and having both permanent and term policies helps ensure that sufficient coverage is in place – permanent policies are individually owned and remain in place after your working years.

Your term life policies provide ‘a lot for a little’ with low premiums and high benefit maximums to be able to supplement coverage when you need it the most – but most employees term these policies when they leave the workforce.



TRUSTMARK PLAN ELIGIBILITY



Who can enroll?

Trustmark offers two versions of Long Term Care with Life Insurance and a Standard Life Insurance plan. Which plan you're enrolled in will depend on your age and your dependent's age and relationship.

- Life Events
 - Employees and spouses up to age 64
- Standard
 - Employees ages 65 – 75
 - Spouses ages 65 – 70
 - Children up to age 22

TRUSTMARK UNDERWRITING

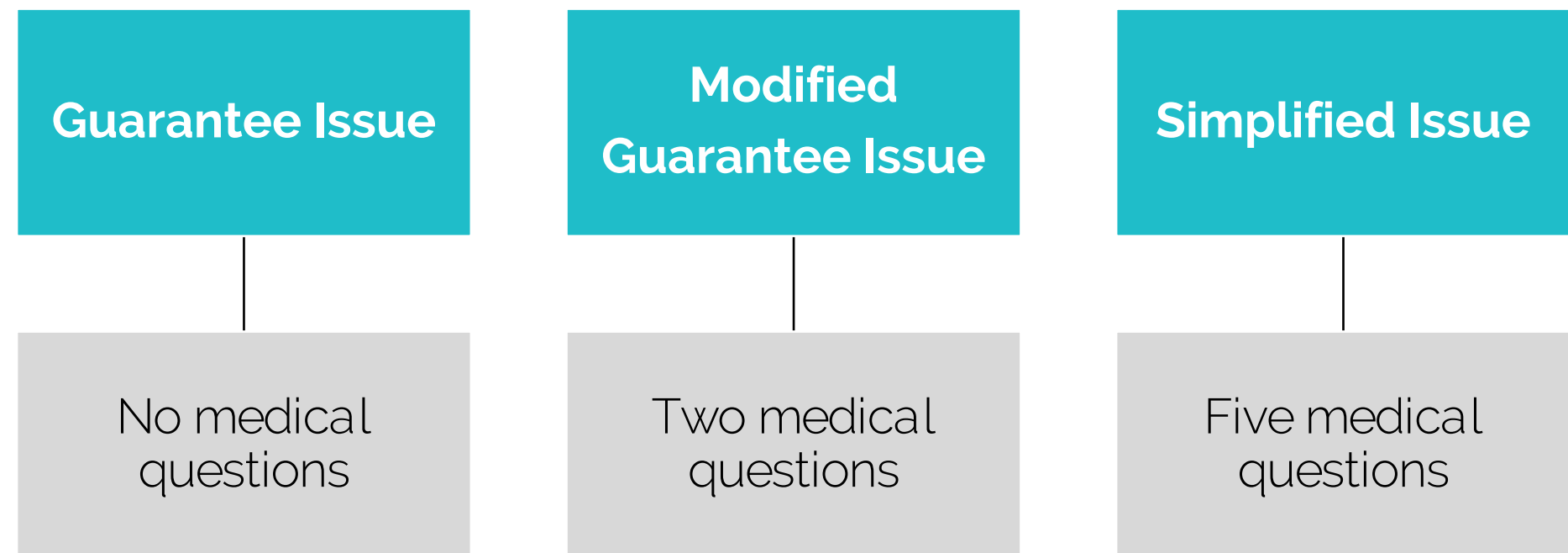


Medical Underwriting

Trustmark offers guaranteed issue coverage (no medical questions!) to all employees up to age 64. Employees over age 64 and dependents require either modified guarantee issue or simplified issue questions.

Guarantee Issue

If you elect above the guarantee issue amount and do not qualify due to health questions, Trustmark will issue your policy at the guarantee issue amount of \$150,000



TRUSTMARK UNDERWRITING



Employee

- Guarantee Issue: Up to \$150,000
- Modified Guarantee Issue: Up to \$200,000
- Simplified Issue: Up to \$300,000

Spouse

- Modified Guarantee Issue: Up to \$4/week or \$10,000
- Simplified Issue: Up to \$300,000

Children

- Modified Guarantee Issue: Between \$3.25/week and \$4.54/week

Grandchildren

- Simplified Issue: Between \$3.25/week and \$4.54/week

TRUSTMARK Long Term Care with Life Insurance



Trustmark's Long Term Care with Life Insurance

Employees and spouses up to age 64

| Plan Benefits | |
|-----------------------|---|
| Policy Amounts | Elect up to \$300,000 in life insurance <i>Decreases to 1/3 of benefit at age 70 or the 15th policy anniversary</i> |
| Monthly LTC Benefit | 4% of total benefit |
| Total LTC Benefit | Up to 100% of Death Benefit election <i>LTC benefit does not decrease during the life of the policy</i> |
| Length of LTC Benefit | 25 months |
| Payment Terms | Pay level premiums that don't increase (until age 100) |
| Cash Value | Yes |
| Restoration Rider | Using the Long Term Care benefits won't reduce your life insurance amount |

Trustmark Standard Life Insurance

Employees ages 65 – 75, spouses ages 65 – 70

*Same plan as above without the death benefit reduction.
Long Term Care rider only available up to age 70.*

HOW MUCH DOES IT COST?



Long Term Care with Life Insurance premiums are issue age – meaning the premium is based on your age at the time of application. These premiums will not increase due to age over time.

Sample ages/rates are listed, however there is a rate for each age 18 – 75.

Long Term Care with Life Insurance

Sample Plan Election & Rates

| Plan Benefits | Example 1 | Example 2 |
|-----------------------|--|-----------|
| Death Benefit | \$50,000 | \$100,000 |
| Total LTC Benefit | \$2,000 | \$4,000 |
| Length of LTC Benefit | 25 months | |
| Payment Terms | Pay to term (age 100) | |
| Underwriting | Guarantee Issue, no medical questions required | |

| Issue Age | \$50,000 Policy Rates | \$100,000 Policy Rates |
|-----------|-----------------------|------------------------|
| 35 | \$33.56 | \$62.85 |
| 40 | \$42.33 | \$80.25 |
| 45 | \$54.75 | \$105.08 |
| 50 | \$69.08 | \$133.68 |

These policies will be set up on a direct-bill basis, meaning if you choose to enroll you can set up the monthly payment to come out of your checking account, so you always own and have control of the policy

**For age 65+ the Trustmark Universal Life plan (not Life Events) will be issued.*



Meet Margie!

- She elects a \$100,000 death benefit
- She was able to enroll without any medical questions
- Her monthly premium is \$105.08 based on her age

Margie, age 45 & non-smoker

At age 67, Margie retires and ports her Trustmark plan

At age 80, Margie requires an in-home health care based on a medical diagnosis

- Margie will receive \$4,000 per month for LTC services, for up to 25 months

- Margie received a total of \$100,000 in LTC benefits over the course of 25 months
- Upon her death, her beneficiary will also receive \$33,333 because Margie had the restoration rider, which restored her death benefit to the reduced amount after age 70.

At age 83, Margie passes away

WHAT ARE MY NEXT STEPS?



Learn more!

- Snowflake, Inc. has a call center set up just for employees to learn more about Trustmark's products and Long Term Care in general. A benefits counselor can help explain how the plan works and you can even enroll over the phone!
- Sit down with your family, your financial planner, dependents, potential caregivers, and/or anyone else involved in your financial planning to discuss how this benefit could fit into your long term goals.

Call Center: 888-259-0907

Hours: Monday – Friday, 4:00am – 6:00pm PST

Open Enrollment

- Open Enrollment will be from **October 30th – November 10th**. Benefits will be effective December 1st, 2023
- If you do not enroll at this time, you will **lose your eligibility for guaranteed issue coverage** and medical questions will be required.

RESOURCES



Call Center: 888-259-0907

Hours: Monday – Friday, 4:00am – 6:00pm PST

Self-Service Enrollment Site:

<https://trustmark.benselect.com/enroll/Login.aspx?Path=Snowflake>

Username: Your Work Email

- Password: Your Date of Birth
 - Example: If your birthday is 12/28/1978 your password will be 12281978

Please be ready with your checking account and routing number if you choose to enroll

THANK YOU!

