

SERFF Tracking Number: LFSC-126300607 State: Arkansas  
Filing Company: LifeSecure Insurance Company State Tracking Number: 43638  
Company Tracking Number:  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified  
Product Name: Powerpoints  
Project Name/Number: /

## Filing at a Glance

Company: LifeSecure Insurance Company

Product Name: Powerpoints

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.001 Qualified

Filing Type: Advertisement

SERFF Tr Num: LFSC-126300607 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num:

Authors: Sue Howard, Judy Lucas

Date Submitted: 09/30/2009

State Tr Num: 43638

State Status: Closed

Reviewer(s): Marie Bennett

Disposition Date: 10/16/2009

Disposition Status: Filed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name:

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 10/16/2009

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 10/16/2009

Created By: Judy Lucas

Corresponding Filing Tracking Number: LFSC-126051299

Deemer Date:

Submitted By: Judy Lucas

Filing Description:

LifeSecure Insurance Company, NAIC #77720

Consumer Powerpoint Presentation – LS-0316 ST 08/09

Employer Powerpoint Presentation – LS-0382 ST 08/09

We are submitting two powerpoint presentations that will be used with our individual long term care product, previously approved for use in your state on 05/13/2009, corresponding SERFF tracking number above.

The slides are bracketed depending on the audience of the presentation, an explanation of variability is included for your reference.

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The first presentation LS-0316 ST 08/09 is a consumer presentation that can be used by our agents for individual sales or as a presentation to an employer/association group for use with our Multi-life applications recently approved in your state. As indicated above, the presentation has been created with variable slides depending on the use.

The second presentation LS-0382 ST 08/09 is an employer presentation and will be used with our new multilife applications approved in your state. This presentation is for presentation by our agents to employers.

Please contact me if you have any questions or concerns. I can be reached at (810) 220-4610 or by email at JLucas@lifeseureltc.com.

Thank You,

Judy Lucas  
Senior Compliance Specialist

## Company and Contact

### Filing Contact Information

Judy Lucas, Senior Compliance Analyst jucas@lifeseureltc.com  
10559 Citation Drive 810-220-4610 [Phone]  
Suite 300 810-220-4690 [FAX]  
Brighton, MI 48116

### Filing Company Information

LifeSecure Insurance Company CoCode: 77720 State of Domicile: Michigan  
10559 Citation Drive Group Code: 572 Company Type: Life, A & H  
Suite 300 Group Name: BCBS of MI GRP State ID Number:  
Brighton, MI 48116 FEIN Number: 75-0956156  
(810) 220-8774 ext. [Phone]

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: 2 forms at \$25.00

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Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
LifeSecure Insurance Company	\$50.00	09/30/2009	30953293

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	10/16/2009	10/16/2009

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Marie Bennett	10/14/2009	10/14/2009	Judy Lucas	10/15/2009	10/15/2009

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## Disposition

Disposition Date: 10/16/2009

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: LFSC-126300607 State: Arkansas  
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Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document (revised)</b>	Explanation of Variability	Filed	Yes
<b>Supporting Document</b>	Explanation of Variability	Replaced	Yes
<b>Form</b>	Consumer Powerpoint	Filed	Yes
<b>Form</b>	Employer Presentation	Filed	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 10/14/2009  
Submitted Date 10/14/2009  
Respond By Date 10/30/2009

Dear Judy Lucas,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Explanation of Variability (Supporting Document)

Comment: THE ANNUAL COST OF NURSING HOME CARE IN ARKANSAS APPEARS EXTREMELY HIGH. PLEASE VERIFY AND FURNISH SOURCE OF INFORMATION.

Please feel free to contact me if you have questions.

Sincerely,

Marie Bennett

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 10/15/2009  
Submitted Date 10/15/2009

Dear Marie Bennett,

### Comments:

Thank you for your continued review of this submission.

### Response 1

Comments: To extract the annual cost of nursing home in Arkansas we used the Cost of Care Survey published by Genworth. I've attached a copy for your records. We believe that there is a typo in their map on page 19. Therefore, we are attaching the Genworth survey specifically for Arkansas. We have updated our Attachment A which indicates a median annual cost of \$52,195.

### Related Objection 1

Applies To:

- Explanation of Variability (Supporting Document)

Comment:

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THE ANNUAL COST OF NURSING HOME CARE IN ARKANSAS APPEARS EXTREMELY HIGH. PLEASE VERIFY AND FURNISH SOURCE OF INFORMATION.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Explanation of Variability

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

We trust that this will bring us into compliance with your objections. Please feel free to contact me with any questions or concerns

Thank you!

Judy Lucas

Sincerely,

Judy Lucas, Sue Howard

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## Form Schedule

### Lead Form Number: LS-0316 ST 08/09

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Filed 10/16/2009	LS-0316 ST 08/09	Advertising	Consumer Powerpoint	Initial			LS-0316 ST 08.09- Consumer Powerpoint.p df
Filed 10/16/2009	LS-0382 ST 08/09	Advertising	Employer Presentation	Initial			LS-0382 ST 08.09 - Employer Powerpoint.p df



**LifeSecure Insurance Company**



**Worry less about long term care.**



**LifeSecure Insurance Company**



**Worry less about long term care.**



**LifeSecure Insurance Company**



**Worry less about long term care.**



**LifeSecure Insurance Company**



**Worry less about long term care.**



**LifeSecure Insurance Company**



**Worry less about long term care.**



## Long Term Care Insurance

*presented to  
Multi-Life Group/Association Name  
and/or logo*

## Slide 1 - Notes

[Thank you for taking time out of your busy schedule to meet with me today. My name is [agent name] and I will be speaking about the LifeSecure Long Term Care Insurance Plan.] [Welcome to the LifeSecure Long Term Care Insurance presentation]

Our presentation will last approximately 20 minutes and we've structured the presentation to answer the most common and important questions about both long term care and Long Term Care Insurance.

There are many reasons why you should consider long term care insurance: it allows you to better protect your savings and assets; it helps you control both the type of care you receive and the location or setting where care can be provided, and it gives you and your family peace of mind knowing a plan is in place - should the need for long term care arise.

**Let's begin our presentation by defining what long term care is.**

# What is Long Term Care?



## “Care” versus “Cure”

### □ Types of Long Term Care (LTC)

- Custodial care
- Supervisory care
- Skilled care

### □ Where LTC services are provided

- At home
- In the community (adult day care, hospice care)
- Assisted living facility
- Nursing home facility

86% of the individuals receiving long term care do so in their home or in the community.<sup>1</sup> The average time in a nursing home is 2.4 years.<sup>2</sup>

<sup>1</sup> Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007

<sup>2</sup> Center for Disease Control, National Health Statistics Reports, Number 9, October 2008.

## Slide 2 - Notes

The first point I want to make is that LifeSecure Insurance Company's long term care insurance plan is not like health care. With Health care the focus is on skilled or acute care, care that is delivered with the objective of returning us to good health or curing us.

With long term care the focus is on caring, not curing.

Long Term Care is the assistance, care or services a person needs when he or she is unable to perform basic activities of daily living – such as bathing, dressing or eating without support or supervision due to a physical or cognitive disorder.

The majority of care comes in the form of custodial care (simply helping or supporting someone perform their activities of daily living) or in the form of supervisory care (an instance where an individual needs significant supervision due to a serious cognitive condition). A smaller portion of long term care comes in the form of skilled care, such as care required from a nurse.

Long term care is provided at home, in the community, in an Assisted Living Facility or in a Nursing Home.

A Georgetown University study of long term care tells us that of the individuals receiving long term care, 86% receive that care in their home or community

If more intensive care is needed, the average time spent in a Nursing Home is 2.4yrs.

**Transition Statement: So why should we be concerned about long term care today?**

# Why be concerned about LTC?



- **More than 60% of all Americans turning 65 will need long term care at some point in their lives.<sup>3</sup>**
- **Growing demands on the “Sandwich Generation”<sup>4</sup>**
- **Void in our benefit plans**
- **Long term care services are expensive.**

<sup>3</sup> Kemper Peter, Komisar, Harriet L.; Alexih, Lisa. Long Term Care Over an Uncertain Future: What can Retirees Expect? Inquiry. Volume 42, Winter 2005/2006

<sup>4</sup> US Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. September 2006

## Slide 3 - Notes

There are four reasons why our conversation today is an important one.

First: The need for long term care has become very significant. A study of LTC found that “more that 60% of all Americans turning 65 will need long term care at some point in their lives”.

Second: There are growing demands on the “Sandwich Generation”, which is defined as individuals (typically women between the ages of 45 to 56) who must care for their own families (sometimes young children and teenagers) in addition to an older relative who needs assistance with Activities of Daily Living. The reality is that the need for long term care does not only affect the individual in need of care, but can also impact the entire family -- across multiple generations.

Third: There is a void in our overall benefit coverage. Both our Health Insurance plans and the Medicare program have been designed to help us by paying for the skilled or acute care we need to return us to good health. They were not designed to cover the custodial care we need when faced with long term care. The one government program that does pay for custodial care is the Medicaid program. The Medicaid program, however, requires that we first spend down our savings to a state mandated level of poverty before it will pay, Medicaid is an important program, but one that is designed to help us when we have no where else to turn.

The last point is this -- long term care is expensive. Let's take a look at the cost of care on our next slide.

# What is the cost of LTC?



Type of Care	[State Name][National] Average Median Annual Costs <sup>5</sup>
Home Health Aide Services Non-Medicare Certified, Licensed (based on 20 hours per week)	[\$XX,XXX] [\$19,240]
Assisted Living Facility Private One Bedroom	[\$XX,XXX] [\$33,900]
Nursing Home Private Room	[\$XX,XXX] [\$74,210]

<sup>5</sup> Based on information from the [Genworth 2009 Cost of Care Survey – April 2009].

## Slide 4 - Notes

The national averages for one year of care are the following: For care at home based on five, 4 hour visits, or 20 hours per week, the cost is [\$XXX]. For care in an Assisted Living Facility the cost is [\$XXX]. And for care in a Nursing Home the cost is [\$XXX]. The cost cited for the Nursing Home is for a private room. In many instances families without protection find the need to use money that is currently in their 401K plans, other investments or even their children's college education fund to help pay for long term care.

The fact is that the responsibility for long term care is ours. We as individuals and families will either make changes to our lifestyles to perform the needed care as informal caregivers, pay for care that requires more skill or time than we possess - or some combination of both.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **40 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$50	\$24,000	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$50	\$24,000	\$76,104

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 1, Slide and Notes

NOTE: Individual preferred rate, full underwriting without association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$50. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,000 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$76,104. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$76,104 in our savings program; third, the \$76,104 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **50 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$67	\$24,120	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$67	\$24,120	\$56,088

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 2, Slide and Notes

NOTE: Individual preferred rate, full underwriting without association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$67. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,120 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$56,088. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$56,088 in our savings program; third, the \$56,088 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$108	\$25,920	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$108	\$25,920	\$44,996

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 3, Slide and Notes

NOTE: Individual preferred rate, full underwriting without association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$108. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$25,920 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 80, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$44,996. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$44,996 in our savings program; third, the \$44,996 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- 40 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$47	\$22,560	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$47	\$22,560	\$71,538

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 4, Slide and Notes

NOTE: Individual preferred rate, full underwriting with 5% association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$47. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$22,560 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$71,538. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$71,538 in our savings program; third, the \$71,538 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **50 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$64	\$23,040	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$64	\$23,040	\$53,576

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 5, Slide and Notes

NOTE: Individual preferred rate, full underwriting with 5% association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$64. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$23,040 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$53,576. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$53,576 in our savings program; third, the \$53,576 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$102	\$24,480	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$102	\$24,480	\$42,496

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 6, Slide and Notes

NOTE: Individual preferred rate, full underwriting with 5% association discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$102. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,480 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$42,496. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$42,496 in our savings program; third, the \$42,496 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- 40 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$55	\$26,400	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$55	\$26,400	\$83,714

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 7, Slide and Notes

NOTE: Multi-life rate, simplified issue with no employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$55. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$26,400 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$83,714. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$83,714 in our savings program; third, the \$83,714 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- 50 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$74	\$26,640	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$74	\$26,640	\$61,948

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 8, Slide and Notes

NOTE: Multi-life rate, simplified issue with no employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$74. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$26,640 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$61,948. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$61,948 in our savings program; third, the \$61,948 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$119	\$28,560	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$119	\$28,560	\$49,579

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 9, Slide and Notes

NOTE: Multi-life rate, simplified issue with no employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$119. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$28,560 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$49,579. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$49,579 in our savings program; third, the \$49,579 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **40 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$52	\$24,960	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$52	\$24,960	\$79,148

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 10, Slide and Notes

NOTE: Multi-life rate, simplified issue with 5% employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is or \$52. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,960 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$79,148. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$79,148 in our savings program; third, the \$79,148 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **50 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$70	\$25,200	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$70	\$25,200	\$58,599

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 11, Slide and Notes

NOTE: Multi-life rate, simplified issue with 5% employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$70. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$25,200 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$58,599. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$58,599 in our savings program; third, the \$58,599 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCI)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$113	\$27,120	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$113	\$27,120	\$47,079

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 5 – Variable Option 12, Slide and Notes

NOTE: Multi-life rate, simplified issue with 5% employer discount

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$113. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$27,120 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$47,079. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$47,079 in our savings program; third, the \$47,079 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# How does the LifeSecure insurance plan work?



## You create your plan.

- **Choose a Benefit Bank**

Any amount between \$75,000 and \$1,000,000

- **Choose a Monthly Benefit Access Limit**

1%, 2% or 3%\* of Benefit Bank

Benefit Bank		Access Limit		Monthly Benefit
\$300,000	<b>x</b>	1%	<b>=</b>	\$3,000

For example, a \$300,000 Benefit Bank and a 1% Monthly Benefit Access Limit would give you access to \$3,000 per month.

\* 3% Monthly Benefit Access Limit not available for Benefit Banks over \$500,000.

## Slide 6 - Notes

**Transition Statement: With the challenge that long term care represents identified, the next question to address is how does LTCI work?**

With the LifeSecure insurance plan, Long Term Care Insurance is easy to understand and you create your own plan, by making two key decisions:

The first decision is to choose a plan “Benefit Bank”. The Benefit Bank represents the total amount of money you want to have available to help pay for long term care should you need it. You may choose any amount between \$75,000 and \$1,000,000.

The second decision is choosing a Monthly Benefit Access Limit. This represents the amount of money that you want available to use for one months care. You may choose 1%, 2% or 3% of your selected Benefit Bank amount, with one limitation 3% cannot be selected for Benefit Bank amounts in excess of \$500,000.

In our example we see that a \$300,000 Benefit Bank with a 1% access limit provides a monthly benefit of \$3,000 – pretty easy isn’t it.

**Transition Statement: So with our plan selected, the next question is how will the LifeSecure plan pay-out if you needed care?**

# How will it pay out?



## □ Benefit Payout Structure

- Defined long term care services are reimbursed up to the full Monthly Benefit Access Limit each month
- **Flexible Benefit** – up to 50% of your un-used Monthly Benefit is available to support informal care and services, such as payment for care provided by family members, home modifications, and leased equipment; may be used without simultaneous use of licensed services

	Example 1	Example 2
Available Monthly Benefit	<b>\$3,000</b>	<b>\$3,000</b>
Licensed Care Expenses (reimbursable)	<b>\$2,000</b>	<b>\$0</b>
Unused Monthly Benefit	<b>\$1,000</b> x 50%	<b>\$3,000</b> x 50%
Available Flexible Benefit	<b>\$500</b>	<b>\$1,500</b>

## Slide 7 - Notes

Our plan will pay out in the following manner: For all care provided at home by a licensed care provider, some examples are (a Licensed Nurse, Home Health Aid or Therapist) or for care in a facility (Adult Day Care Center, an Assisted Living Facility or Nursing Home) the plan will pay all expenses up to the monthly benefit access limit selected.

In the event that any benefit dollars remain at the end of the month, the LifeSecure policyholder has the choice of retaining the unused portion in the Benefit Bank for future use or, under the plans flexible benefit feature, they may use up to 50% of the remaining monthly benefit to help pay for informal care or services that allow the individual to remain at home.

In our 1<sup>st</sup> example, where a portion of the monthly benefit is used for licensed care, \$500 is available for use under the Flexible Benefit. In our 2<sup>nd</sup> example, where no licensed care is received, \$1,500 is available for use under the Flexible Benefit.

**Transition Statement: Let's take a closer look at how you can use the Flexible Benefit.**

# How can the Flexible Benefit be used?



- **The Flexible Benefit is designed to provide greater flexibility in the type of care or services you receive – beyond traditional licensed services.**
  - Informal care provided by family members or friends
  - Training for an informal caregiver
  - Home modifications (i.e. wheelchair ramp or grab bars)
  - Care-related products or personal supplies
  - Durable medical equipment or other home medical technology

## Slide 8 - Notes

The Flexible Benefit is designed to provide greater flexibility in the type of care or services you receive. It can be used to pay for a variety of expenses other than traditional licensed care.

One of the greatest benefits is payment for informal care. Informal care is care that is provided in the home by a family member, friend or other relative - someone who is not a licensed caregiver.

Expenses for training informal caregivers or helping them gain skills in caregiving can also be paid using the Flexible Benefit. In addition, the benefit can be used to pay for home modifications and other care-related products.

Our goal with this feature is to help you and your family manage your long term care needs while providing flexibility in how the money is used.

**Transition Statement: Benefit payouts that help pay your LTC needs are the foundation of an LTCI plan. Let's continue by looking at some other features that are also part of the plan.**

# What else does the LifeSecure insurance plan include?



## □ Standard Features

- Flexible Benefit
- Guaranteed Future Purchase Offers
- Waiver of Premium

## □ LifeSecure Care Advisor Services

- Delivered by an RN or Social Worker specializing in long term care
- Support, educate and advocate
- Access to an extensive provider service network (up to a 20 % discount)
- Provide for annual comprehensive wellness assessments (for self or family member)

Care Advisor services are optional and provided at no additional cost to you. They are available from day one, not just at time of claim. Use extends to family members of Policyholder.

## Slide 9 - Notes

Your LifeSecure plan will include the following standard plan features:

First: Guaranteed Future Purchase Offers. Like so many other parts of our lives inflation will impact the cost of LTC over time. The Guaranteed Future Purchase Offer gives our policyholders the opportunity every three years to purchase an additional 15% of their current monthly benefit access limit and Benefit Bank. This purchase is made without having to provide evidence of good health and gives the policyholder control over both their future premium and plan value. The Guaranteed Future Purchase Offers stop when you reach 80 years of age or while you are on claim.

Second: The LifeSecure plan includes a “waiver of premium”, that means when a policyholder is in claim, they are no longer required to pay premium.

Third, policyholders and their families will have access to a LifeSecure Care Advisor. These individuals are Registered Nurses or degreed Social Workers specifically trained to work with long term care. Their job is to support, educate and advocate on behalf of the individual and family in claim. They will answer questions, find providers, and help establish and then manage a plan of care for the individual in need of care. They will review our discount provider list to see if there is one available that is right for you. The discounts can range from 5% to 20%. Access to LifeSecure Care Advisor Services are optional and provided at no additional cost to you. They begin on day one and extend to members of your immediate family. An annual comprehensive wellness assessment is available for yourself or a family member.

**Transition Statement: At LifeSecure it our goal to keep our policyholders both prepared an informed. With this in mind, we make the following services available to our policyholders as well.**

# What more can you expect?



## □ Personal LifeSecure Web Portal

- Stay informed and connected
  - Assessment tools
  - Care Provider directory and search tools
  - Caregiver education programs
  - Planning tools for caregivers
- Update and manage your plan
  - Edit personal profile (address changes, beneficiaries, etc.)
  - Review Benefit Bank balances, premium amounts and other policy details

Your personal LifeSecure Web Portal makes it easy for you to stay connected, whenever it's convenient for you.

## Slide 10 - Notes

With The LifeSecure Personal Web Portal policyholders stay informed and connected with their long term care insurance plan.

The Web Portal provides you access to many resources, including provider directories, information on current long term care issues, caregiver education programs, and tools to help caregivers assess LTC needs and plan of care.

The Web Portal also allows a policyholder to edit their personal profile, check Benefit Bank balances, and review premium payments and other policy details.

This feature keeps the policyholder informed and in control of their plan.

**Transition Statement: Because everyone's needs are not the same, we also offer the following benefit features.**

# Are there any optional benefits?



## □ **Optional Benefits** (available for additional premium)

- Automatic Compound Inflation Protection (3% or 5%)

Example: 5% Automatic Compound Inflation Protection

Initial Benefit Bank = \$200,000

After 10 years, Benefit Bank = \$325,880

After 20 years, Benefit Bank = \$530,660

- Lapse Protection Benefit
- Money-Back Promise Option

## Slide 11 - Notes

The first optional benefit is called Automatic Compound Inflation protection: With this benefit feature the policyholder makes the decision to purchase a plan where the monthly benefit access limit and plan Benefit Bank will automatically grow by either 3% or 5% (their choice) compounded on an every year basis going forward. For example: a \$200,000 Benefit Bank with a 5% automatic compound inflation option will grow to a Benefit Bank of \$325,880 after 10 years and to \$530,660 after 20 years. By paying a higher premium the policyholder is making the decision to pre-pay for the inflation protection as opposed to making the future purchases.

Our second optional benefit is the “Lapse Protection Benefit” option. It can answer the question, what happens if I have to stop paying my premium? With a standard LTCI policy if a policyholder stops paying premium, like so many other forms of insurance (your auto, home, medical) the coverage ends. By adding this optional benefit feature, if a policy is in force for three years or more and then is lapsed due to non-payment of premium the policyholder will be provided with a reduced paid up benefit equal to the greater of all premiums paid or to the plans monthly access limit. If the Lapse Protection Benefit option is not purchased, a Contingent Non-Forfeiture Benefit is included in the policy, which provides some guarantees of coverage protection in case of a substantial rate increase by the carrier.

The final optional benefit is a death benefit feature called the “Money-Back Promise Option” . By adding this optional benefit, if you die after holding your policy for 5 years or more, a percentage of the premium (less any benefits paid) is refunded to a named beneficiary. The percentage of payback equals 25% of the premiums paid for policies in force for 5 to 9 years, 50% for policies in force 10 to 14 years and 75% for policies in force 15 years or more.

**Transition Statement: We have completed our discussion of the LifeSecure plan benefits, now let’s answer the question, how does the claim process work?**

# How does the claim process work?



## □ Eligibility for benefits

- Inability to perform 2 of 6 activities of daily living (bathing, dressing, transferring, toileting, continence, eating)
- Or, diagnosis of a severe cognitive impairment
- Plan of care prescribed by a licensed health care practitioner

## □ Payment of benefits

- Single lifetime 90 calendar day benefit wait period
- Benefit payments will begin after the 90 day wait
- Benefits paid for services received on a monthly basis

## Slide 12 - Notes

A policyholder is considered claim-eligible in one of two ways: when they are certified by a licensed health care practitioner as being unable to perform 2 of 6 activities of daily living without substantial support or supervision or are diagnosed with a severe cognitive impairment (such as Alzheimer's disease) and that this condition is expected to last at least a period of 90 days.

The activities of daily living are: (bathing, dressing, transferring, toileting, continence and eating)

Benefit payments will begin after a one-time 90 calendar day benefit wait period. No services are required to meet this benefit wait period and once in claim premium payments are no longer required. Benefit wait periods are designed to help keep premiums more affordable. Benefits are reimbursed on a monthly basis.

**Transition Statement: let's begin to wrap-up our conversation by answering the very important question how much does LTCI cost?**

# Quote Calculator



- **Budget Point Pricing<sup>SM</sup> – Quote Calculator**
  - Choose a target Monthly Premium amount; or
  - Choose a target Benefit Bank amount
  - Allows you to decide what 'affordability' means in your own household

**Our Budget-Point Pricing tool makes the process even easier:**

By entering age and target monthly premium, a user can quickly and easily find a plan design that fits his/her personal budget.

## Slide 13 - Notes

To help us answer this question we have created the budget point pricing quote calculator. The quote calculator will allow you to do a self quote online and determine a plan design and premium that is right for you or for your loved one either by choosing a target monthly premium amount or a target Benefit Bank amount. The quote calculator is very easy to use and will allow you to compare different policy quotes all on one screen. You decide what affordability means for your household.

# How much will it cost?



## Sample Premiums (based on preferred rates)

Age	Benefit Bank <sup>SM</sup>	Monthly Benefit Access Limit	Monthly Premium
40	\$300,000	1% (or \$3,000)	\$42
50	\$300,000	1% (or \$3,000)	\$57
60	\$300,000	1% (or \$3,000)	\$93

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 14 – Variable Option 1, Slide and Notes

NOTE: Individual preferred rate, full underwriting without association discount

Let's look at a few examples of sample premiums:

Age 40 \$300,000/1% Monthly/Future Purchase = \$42 month

Age 50 \$300,000/1% Monthly/Future Purchase = \$57 month

Age 60 \$300,000/1% Monthly/Future Purchase = \$93 month

All the rates in this example are at the preferred rate level. The cost of long term care insurance is based upon your health status and age at time of application. There are three rating levels preferred, standard and select.

Discounted rates are available; If both you and your spouse or domestic partner apply and are accepted the rate is reduced by 30%. If your spouse or domestic partner does not apply or is not accepted the rate is reduced by 10%.

**Transition Statement: Now, we need answers to two more questions: Where does Long Term Care Insurance fit into my overall benefit planning? And, how much coverage do I need?**

# How much will it cost?



## Sample Premiums (based on preferred rates)

Age	Benefit Bank <sup>SM</sup>	Monthly Benefit Access Limit	Monthly Premium
40	\$300,000	1% (or \$3,000)	\$40
50	\$300,000	1% (or \$3,000)	\$54
60	\$300,000	1% (or \$3,000)	\$88

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 14 – Variable Option 2, Slide and Notes

NOTE: Individual preferred rate, full underwriting with 5% association discount

Let's look at a few examples of sample premiums:

Age 40 \$300,000/1% Monthly/Future Purchase = \$40 month

Age 50 \$300,000/1% Monthly/Future Purchase = \$54 month

Age 60 \$300,000/1% Monthly/Future Purchase = \$88 month

All the rates in this example are at the preferred rate level. The cost of long term care insurance is based upon your health status and age at time of application. There are three rating levels preferred, standard and select.

As a member/employee of this association/group you will receive a 5% discount, as reflected in the monthly premiums on this slide. Additional discounts are available; If both you and your spouse or domestic partner apply and are accepted the rate is reduced by 30%. If your spouse or domestic partner does not apply or is not accepted the rate is reduced by 10%.

**Transition Statement: Now, we need answers to two more questions: Where does Long Term Care Insurance fit into my overall benefit planning? And, how much coverage do I need?**

# How much will it cost?



## Sample Premiums

Age	Benefit Bank <sup>SM</sup>	Monthly Benefit Access Limit	Monthly Premium
40	\$300,000	1% (or \$3,000)	\$46
50	\$300,000	1% (or \$3,000)	\$63
60	\$300,000	1% (or \$3,000)	\$102

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 14 – Variable Option 3, Slide and Notes

NOTE: Multi-life rate, simplified issue with no employer discount

Let's look at a few examples of sample premiums:

Age 40 \$300,000/1% Monthly/Future Purchase = \$46 month

Age 50 \$300,000/1% Monthly/Future Purchase = \$63 month

Age 60 \$300,000/1% Monthly/Future Purchase = \$102 month

The cost of long term care insurance is based upon your age at time of application.

As a member/employee of this association/group you will receive a 5% discount, as reflected in the monthly premiums on this slide. Additional discounts are available; If both you and your spouse or domestic partner apply, and are accepted, the rate is reduced by 30%. If your spouse or domestic partner does not apply or is not accepted the rate is reduced by 10%.

**Transition Statement: Now, we need answers to two more questions: Where does Long Term Care Insurance fit into my overall benefit planning? And, how much coverage do I need?**

# How much will it cost?



## Sample Premiums

Age	Benefit Bank <sup>SM</sup>	Monthly Benefit Access Limit	Monthly Premium
40	\$300,000	1% (or \$3,000)	\$44
50	\$300,000	1% (or \$3,000)	\$60
60	\$300,000	1% (or \$3,000)	\$97

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 14 – Variable Option 4, Slide and Notes

NOTE: Multi-life rate, simplified issue with 5% employer discount

Let's look at a few examples of sample premiums:

Age 40 \$300,000/1% Monthly/Future Purchase = \$44 month

Age 50 \$300,000/1% Monthly/Future Purchase = \$60 month

Age 60 \$300,000/1% Monthly/Future Purchase = \$97 month

The cost of long term care insurance is based upon your age at time of application.

As a member/employee of this association/group you will receive a 10% discount, as reflected in the monthly premiums on this slide. Additional discounts are available; If both you and your spouse or domestic partner apply, and are accepted, the rate is reduced by 30%. If your spouse or domestic partner does not apply or is not accepted the rate is reduced by 10%.

**Transition Statement: Now, we need answers to two more questions: Where does Long Term Care Insurance fit into my overall benefit planning? And, how much coverage do I need?**

# Where does it fit in?



## □ How much coverage do I need?

- Care support
- Cost of care in your area
- Family health history
- What can you afford



Plan Decisions



## Notes For Slide 15

As individuals and families, a portion of our lives is devoted to building and managing a personal financial plan. This plan really centers around three key components. Part one of the plan is made up of our income, our home and household expenses. A second part is made up our savings, retirement planning and investments. The third part of the plan is focused on how we protect our personal financial plan. For many of us this is where insurance plays an important role.

We use Health Insurance to protect ourselves against serious health issues, we use disability insurance to protect our income, if we were to become ill or injured and unable to work for an extended period of time, we use life insurance as a form of income replacement to protect our families in the event of our death and as we learned today we can use long term care insurance to help pay for any custodial care we may need.

To answer the question, how much coverage do I need? Taking into account the following questions will help you determine the plan that is right for you.

Is your family in a position where they can provide all or some of the care you or a loved one may need? 2) Do you know the cost of care in your area? Knowing this will allow you to assess the true financial impact of long term care.3)Take time to review your family health history, and ask are there health issues or trends in your family that are associated with a chronic illness that could lead to long term care? 4) What level of protection can you afford? Keeping in mind that a plan that will pay a portion of your long term care needs can make a significant difference. 5) And then of course the plan decisions of a Benefit Bank, monthly benefit access limit and optional benefits.

**Transition Statement: LTC has both a personal element and a financial one. Let's look at why you should buy LTCi now.**

# Why purchase now?



- **Cost based on your age when you apply**
- **Health is an important consideration**
- **Important benefit at all ages**
- **Premium discounts are available**

To learn more, call [866.582.7701] or visit  
[www.YourLifeSecure.com](http://www.YourLifeSecure.com)

## Slide 16 – Variable Option1 Slide and Notes

NOTE: No Multi-life

There are several reasons why you should consider long term care insurance now:

The cost of long term care insurance is based upon your age. The cost will be lower the younger you are at the time of purchase.

It is also based upon your health at the time of purchase so it's important that you make this decision while your health is good.

Long term care insurance should be viewed as an extension of our medical plans providing support for the custodial or personal care that is not part of most medical plans. It is a benefit that can be used at any age if needed, not just for when we are older.

Lastly, as we stated earlier, the LifeSecure plan makes the following discounts available: If both you and your spouse or domestic partner apply and are insured, there will be a 30% discount off each policy. If your spouse or domestic partner does not apply or is not accepted, a 10% discount will apply to your policy.

**Transition Statement: This brings us to our final question, how do I apply? If you are interested in applying you can [call the agency at [XXX-XXX-XXXX] [call LifeSecure's call center at 1-866-582-7701] or visit the LifeSecure website at [www.YourLifeSecure.com](http://www.YourLifeSecure.com).**

**The final slide of our presentation shows all plan limitations and exclusions, please be sure to review this information before completing your application. I hope you found this presentation both informative and helpful as you make your LTCL coverage decision.**

# Why purchase now?



- **[Apply with a shorter/simplified application – limited time only]**
- **Cost based on your age when you apply**
- **Health is an important consideration**
- **Important benefit at all ages**
- **Fully portable coverage**
- **Premium discounts are available**
- **[Convenience of payroll deduction]**
- **[Family members may apply for coverage [and receive eligible discounts]]**

To learn more, call [866.582.7701] or visit  
[www.YourLifeSecure.com](http://www.YourLifeSecure.com)

[Group/Association Name]

For [employees][members] and their spouse or domestic partner: [000XX]

[For [family members][and][retirees]: [000XX]]

## Slide 16 – Variable Option 2 Slide and Notes

NOTE: Multi-life

There are several reasons why you should consider long term care insurance now:

[For a limited time, LifeSecure is making it even easier for you to apply for long term care insurance with a shortened, simplified application.]

The cost of long term care insurance is based upon your age. The cost will be lower the younger you are at the time of purchase.

It is also based upon your health at the time of purchase so it's important that you make this decision while your health is good.

Long term care insurance should be viewed as an extension of our medical plans providing support for the custodial or personal care that is not part of most medical plans. It is a benefit that can be used at any age if needed, not just for when we are older.

If your [employment][membership] ends, your coverage will continue as long as you make payments.

The LifeSecure plan makes the following discounts available: If both you and your spouse or domestic partner apply and are insured, there will be a 30% discount off each policy. If your spouse or domestic partner does not apply or is not accepted, a 10% discount will apply to your policy. [As a member/employee of this association/group you will also receive an additional 5% discount.] [As a member/employee of this association/group you will also receive an additional 10% discount.]

[And, payroll deduction for you and your spouse/domestic partner may be available through your employer.]

[Your family members can apply for coverage [and receive eligible discounts] too].

**Transition Statement: This brings us to our final question, how do I apply? If you are interested in applying you can [call the agency at [XXX-XXX-XXXX] [call LifeSecure's call center at 1-866-582-7701] or visit the LifeSecure website at [www.YourLifeSecure.com](http://www.YourLifeSecure.com).**

**The final slide of our presentation shows all plan limitations and exclusions, please be sure to review this information before completing your application. I hope you found this presentation both informative and helpful as you make your LTCI coverage decision.**

# Limitations and Exclusions



- No benefits, including the Flexible Benefit, will be payable under the Policy for:
  - a loss that occurs while this Policy is not in force; or
  - an illness, treatment or medical condition that is due to war or act of war, whether declared or undeclared (In OK: while serving in the military or an auxiliary unit attached to a military unit, or working in an area of war whether voluntarily or as required by an employer); or
  - an illness, treatment or medical condition that results from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury; or
  - expenses for treatment or rehabilitation related to alcoholism or drug addictions; or
  - expenses for services or items to the extent that such expenses are reimbursable under Title XVIII of the Social Security Act (Medicare), or would be so reimbursable but for the application of a deductible or coinsurance amount; or
  - care or services, unless otherwise required by law, for which benefits are duplicated or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; or
  - care or services provided outside the United States of America, its territories or possessions, or Canada.
- The following two exclusions do not apply to the Flexible Benefit:
  - care or services provided by a family member unless:
    - he or she is a regular employee of an organization which is providing the treatment, service or care; and
    - the organization receives the payment for the treatment, service or care; and
    - he or she receives no compensation other than the normal compensation for employees in his or her job category; or
  - care or services for which no charge is made in the absence of insurance.

*Availability of benefits, amounts, options and discounts, as well as plan limitations and exclusions, may vary by state.*



## Long Term Care Insurance

*presented to  
Multi-Life Group/Association Name  
and/or logo*

This is an insurance solicitation

## Slide 1 – Title Slide

### NOTES:

[Thank you for taking time out of your busy schedule to meet with me today. My name is [agent name] and I will be speaking about the LifeSecure Long Term Care Insurance Plan.] [Welcome to the LifeSecure Long Term Care Insurance presentation].

Our presentation will last approximately 20 minutes and we've structured the presentation to answer the most common and important questions about both long term care and Long Term Care Insurance.

There are many reasons why you should consider long term care insurance: it allows you to better protect your savings and assets; it helps you control both the type of care you receive and the location or setting where care can be provided, and it gives you and your family peace of mind knowing a plan is in place - should the need for long term care arise.

**Let's begin our presentation by defining what long term care is.**

# Top priorities for employers



- **Attract quality employees**
- **Retain employees**
- **Increase employee productivity**
- **Improve job satisfaction**

## Slide 2 – Top priorities for employers

### NOTES:

A well-rounded benefit package may help attract quality employees to your company. It may also help retain existing employees, and reduce their desire to “shop around” for a better benefit package elsewhere.

Employers who take time to provide a variety of options and resources for their employees may notice an increase in productivity and improved job satisfaction in their employees.

# What is Long Term Care?



## “Care” versus “Cure”

### □ Types of Long Term Care (LTC)

- Custodial care
- Supervisory care
- Skilled care

### □ Where LTC services are provided

- At home
- In the community (adult day care, hospice care)
- Assisted living facility
- Nursing home facility

86% of the individuals receiving long term care do so in their home or in the community.<sup>1</sup> The average time in a nursing home is 2.4 years.<sup>2</sup>

<sup>1</sup> Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007

<sup>2</sup> Center for Disease Control, National Health Statistics Reports, Number 9, October 2008.

## Slide 3 – What is Long Term Care?

### NOTES:

I want to point out that LifeSecure Insurance Company's long term care insurance plan is not like health care. With health care the focus is on skilled or acute care, care that is delivered with the objective of returning us to good health or curing us.

With long term care the focus is on caring, not curing.

Long Term Care is the assistance, care or services a person needs when he or she is unable to perform basic activities of daily living – such as bathing, dressing or eating without support or supervision due to a physical or cognitive disorder.

The majority of care comes in the form of custodial care (simply helping or supporting someone perform their activities of daily living) or in the form of supervisory care (an instance where an individual needs significant supervision due to a serious cognitive condition). A smaller portion of long term care comes in the form of skilled care, such as care required from a nurse.

Long term care is provided at home, in the community, in an Assisted Living Facility or in a Nursing Home.

A Georgetown University study of long term care tells us that of the individuals receiving long term care, 86% receive that care in their home or community

If more intensive care is needed, the average time spent in a Nursing Home is 2.4yrs.

**Transition Statement: So why should we be concerned about long term care today?**

# When is LTC needed?



## □ LTC is needed when:

- A person is no longer able to care for him/herself independently
- Ongoing assistance is required to perform Activities of Daily Living (ADLs)
- A person is chronically ill
- A person needs substantial supervision due to a severe cognitive impairment such as Alzheimer's Disease.

## Slide 4 – When is LTC Needed?

### NOTES:

Long term care is needed when a Licensed Health Care Practitioner certifies that an individual is unable to perform, without Substantial Assistance from another person, at least two Activities of Daily Living for a period that is expected to last at least 90 days - OR - when an individual requires Substantial Supervision due to a Severe Cognitive Impairment.

Let's take a look at the cost of care on our next slide.

# What is the cost of LTC?



Type of Care	[State Name][National] Average Median Annual Costs <sup>5</sup>
Home Health Aide Services Non-Medicare Certified, Licensed (based on 20 hours per week)	[\$XX,XXX] [\$19,240]
Assisted Living Facility Private One Bedroom	[\$XX,XXX] [\$33,900]
Nursing Home Private Room	[\$XX,XXX] [\$74,210]

<sup>5</sup> Based on information from the [Genworth 2009 Cost of Care Survey – April 2009].

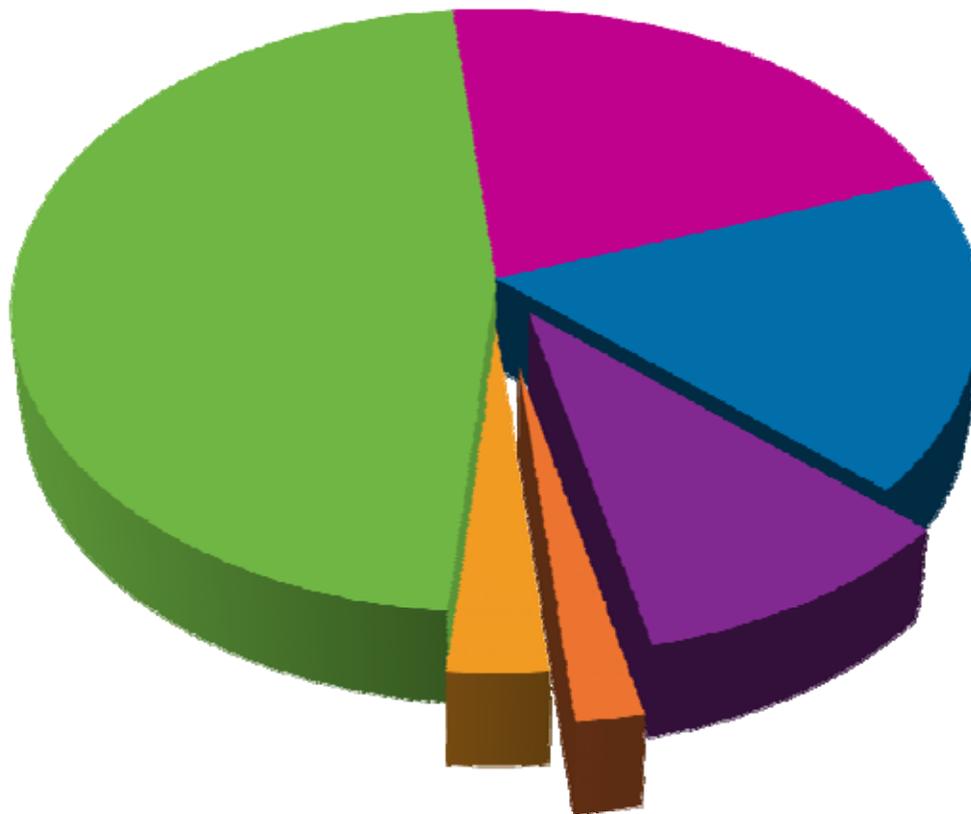
## Slide 5 – What is the cost of LTC?

### NOTES:

The averages for one year of care are the following: For care at home based on five, 4 hour visits, or 20 hours per week, the cost is [\$XXX]. For care in an Assisted Living Facility the cost is [\$XXX]. And for care in a Nursing Home the cost is [\$XXX]. The cost cited for the Nursing Home is for a private room. In many instances families without protection find the need to use money that is currently in their 401K plans, other investments or even their children's college education fund to help pay for long term care.

The fact is that the responsibility for long term care is ours. We as individuals and families will either make changes to our lifestyles to perform the needed care as informal caregivers, pay for care that requires more skill or time than we possess - or some combination of both.

# Who pays for long term care?



- Medicare (17%)
- Private Insurance (10%)
- Other Public (2%)
- Other Private (3%)
- Medicaid (47%)
- Out-of-Pocket (21%)

## Slide 6 – Who Pays for Long Term Care?

### NOTES:

This chart dispels the common myth that the government will pay for Long Term Care services for most middle & upper class Americans. Only 17% of LTC is paid by Medicare - not a high number. And while Medicaid pays 47% of LTC costs; you have to be at POVERTY level to qualify. This is not a good option for people who want to protect their investments and assets.

# Who are the caregivers?



- **Nearly six in ten caregivers (59% of the workforce) are currently employed<sup>6</sup>**
- **Almost four in ten (39%) of caregivers are men, and 60% of them work full-time<sup>7</sup>**
- **More than half of working caregivers have had to make adjustments to their work life, from reporting late to work to taking time off<sup>8</sup>**
- **Nine percent (9%) of employed caregivers leave their jobs due to caregiving responsibilities<sup>9</sup>**

<sup>6,7,8,9</sup> *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006*

## Slide 7 – Who are the caregivers?

### NOTES:

Nearly six in ten caregivers are currently employed.

Almost four in ten or (39%) of caregivers are men, and 60% of them are working full-time.

More than half of working caregivers say that as a result of their caregiving responsibilities they have had to go in (to work) late and leave early, or take time off to provide care.

In addition, 9% of employed caregivers report that they leave their full-time jobs due to caregiving responsibilities.

*Statistics : The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006*

**Transition Statement: With the challenge that long term care represents to us as individuals identified, let's look at some of the additional ways a need for long term care can impact the work place.**

# How does caregiving impact business?



- American businesses stand to lose as much as \$34 billion each year due to employees' need to care for loved ones 50 years of age and older.<sup>10</sup>

## Financial losses are a direct result of:

- Replacing employees
- Absenteeism
- Partial absenteeism
- Workday interruptions
- Eldercare crises
- Supervisor time
- Presenteeism

<sup>10</sup> The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006

## Slide 8 – How does caregiving impact business?

### NOTES:

Industry studies estimate American businesses stand to lose as much as \$34 billion a year due to an employee's need to care for a loved one age 50 or older.

These costs come in the form of:

**Replacing employees \$6.5B, Absenteeism \$5.0B, Partial Absenteeism \$1.9B, Workday interruptions \$6.2B, Eldercare crisis \$3.7B, Impact on Supervisor time \$1.7B and a new term called presenteeism referring to the affected employees ability to focus on their assigned tasks and responsibilities.**

To sum it up...caregivers lose time at work and employers lose productivity.

*Statistics: The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006*

**Transition Statement: So a fair question is how will adding LifeSecure LTCi help ?**

# How will LifeSecure Long Term Care Insurance (LTCi) help?



- Support for today
- Protection for the future

## LifeSecure Care Advisor Services

- Delivered by an RN or Social Worker specializing in LTC
- Support, educate and advocate
- Access to an extensive provider service network (up to a 20% discount)
- Provide for annual comprehensive wellness assessment (for self or family member)

Care Advisor services are optional and provided at no additional cost to you. They are available from day one, not just at claim time. Use extends to family members of policyholder.

## Slide 9 – How will LifeSecure LTCi help?

### NOTES:

Will adding long term care insurance to your package of employee benefits immediately solve all of these issues? No not immediately, but it will be an important start. With the need for long term care growing as we enter the retirement phase of the 77 million strong baby boom generation it's simply a good business decision. Employees 55 years and older will make up 20% of the workplace by the year 2012.<sup>11</sup>

LifeSecure LTCi offers two ways to begin addressing the challenge posed by long term care:

**First:** The LifeSecure plan provides support for today by making our LifeSecure Care Advisor services available to both the policyholder and their family on day one. That means the insured employee can use these services to help a parent or other family member in need of care today, but without a LTCi policy.

**LifeSecure Care Advisors** are Registered Nurses or degreed Social Workers specifically trained to work with long term care. Their job is to support, educate and advocate on behalf of the individual and family in claim. They will answer questions, find providers, and help establish and then manage a plan of care for the individual in need of care. They will review our discount provider list to see if there is one available that is right for the particular situation. The discounts can range from 5% to 20%. Access to LifeSecure Care Advisor services are optional and provided at no additional cost to you. They begin on day one and extend to members of your immediate family. An annual comprehensive wellness assessment is also available for the policyholder or a family member.

**The second** way the LifeSecure plan can make a difference is of course by providing employees protection for the future by helping them to put a plan in place for their own families.

**Transition Statement: Clearly long term care impacts us as individuals and in business the next question to address is how does LifeSecure LTCi plan work?**

<sup>11</sup> Bureau of Labor Statistics, Labor force projections to 2012: the graying of U.S. workforce, February 2004, Vol.127. No 2

# What is the financial value of Long Term Care Insurance (LTCi)?



- 40 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$50	\$24,000	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$50	\$24,000	\$76,104

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 1

Individual preferred rate, full underwriting without association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$50. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,000 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$76,104. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$76,104 in our savings program; third, the \$76,104 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- 50 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$67	\$24,120	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$67	\$24,120	\$56,088

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 2

Individual preferred rate, full underwriting without association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$67. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,120 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$56,088. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$56,088 in our savings program; third, the \$56,088 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$108	\$25,920	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$108	\$25,920	\$44,996

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 3

Individual preferred rate, full underwriting without association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$108. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$25,920 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 80, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$44,996. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$44,996 in our savings program; third, the \$44,996 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- 40 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$47	\$22,560	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$47	\$22,560	\$71,538

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 4

Individual preferred rate, full underwriting with 5% association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$47. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$22,560 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$71,538. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$71,538 in our savings program; third, the \$71,538 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **50 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$64	\$23,040	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$64	\$23,040	\$53,576

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 5

Individual preferred rate, full underwriting with 5% association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$64. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$23,040 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$53,576. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$53,576 in our savings program; third, the \$53,576 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$102	\$24,480	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$102	\$24,480	\$42,496

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. The premium rate class will be based on age, health history, current health conditions and other underwriting criteria, and may be higher than the preferred rate shown above. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 6

Individual preferred rate, full underwriting with 5% association discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$102. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,480 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$42,496. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$42,496 in our savings program; third, the \$42,496 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- 40 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$55	\$26,400	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$55	\$26,400	\$83,714

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 7

Multi-life rate, simplified issue with no employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$55. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$26,400 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$83,714. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$83,714 in our savings program; third, the \$83,714 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- 50 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$74	\$26,640	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$74	\$26,640	\$61,948

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 8

Multi-life rate, simplified issue with no employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$74. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$26,640 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$61,948. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$61,948 in our savings program; third, the \$61,948 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$119	\$28,560	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$119	\$28,560	\$49,579

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 9

Multi-life rate, simplified issue with no employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$119. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$28,560 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$49,579. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$49,579 in our savings program; third, the \$49,579 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **40 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
\$52	\$24,960	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
\$52	\$24,960	\$79,148

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 10

Multi-life rate, simplified issue with 5% employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is or \$52. Just for examples sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay \$24,960 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 50 or 60 or 70, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to \$79,148. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 40 years to attain the \$79,148 in our savings program; third, the \$79,148 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- 50 year old (\$200,000 plan with 2% MBAL = \$4,000)

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
\$70	\$25,200	\$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
\$70	\$25,200	\$58,599

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 11

Multi-life rate, simplified issue with 5% employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$70. Just for examples sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay \$25,200 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to \$58,599. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 30 years to attain the \$58,599 in our savings program; third, the \$58,599 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

# What is the financial value of Long Term Care Insurance (LTCi)?



- **60 year old (\$200,000 plan with 2% MBAL = \$4,000)**

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
\$113	\$27,120	\$200,000

- **Savings Plan with 5% interest compounded annually**

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
\$113	\$27,120	\$47,079

\* Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Rates are for illustrative purposes only and are rounded to the nearest dollar.

## Slide 10 – Variable Option 12

Multi-life rate, simplified issue with 5% employer discount

### NOTES:

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCi)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of \$200,000 and a monthly benefit access limit of 2% or \$4,000. The monthly premium for this plan is \$113. Just for examples sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay \$27,120 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full \$200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to \$47,079. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full \$200,000 Benefit Bank; second, we must commit the full 20 years to attain the \$47,079 in our savings program; third, the \$47,079 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

# How does the LifeSecure insurance plan work?



## Create a plan.

### □ Choose a Benefit Bank

Any amount between \$75,000 and \$1,000,000

### □ Choose a Monthly Benefit Access Limit

1%, 2% or 3%\* of Benefit Bank

Benefit Bank		Access Limit		Monthly Benefit
\$300,000	<b>x</b>	1%	<b>=</b>	\$3,000

For example, a \$300,000 Benefit Bank and a 1% Monthly Benefit Access Limit would give you access to \$3,000 per month.

#### NOTES:

- 3% Monthly Benefit Access Limit not available for Benefit Bank amounts greater than \$500,000.
- In SD: Benefit Bank amounts less than \$300,000 require either 2% or 3% Monthly Benefit Access Limit.
- In WI: Benefit Bank amounts less than \$180,000 require either 2% or 3% Monthly Benefit Access Limit.

## Slide 11 – How does the LifeSecure insurance plan work?

### NOTES:

**Transition Statement: With the challenge that long term care represents identified, the next question to address is how does LTCi work?**

With the LifeSecure insurance plan, Long Term Care Insurance is easy to understand and you create your own plan, by making two key decisions:

The first decision is to choose a plan “Benefit Bank”. The Benefit Bank represents the total amount of money you want to have available to help pay for long term care should you need it. You may choose any amount between \$75,000 and \$1,000,000.

The second decision is choosing a Monthly Benefit Access Limit. This represents the amount of money that you want available to use for one months care. You may choose 1%, 2% or 3% of your selected Benefit Bank amount, with one limitation 3% cannot be selected for Benefit Bank amounts in excess of \$500,000.

In our example we see that a \$300,000 Benefit Bank with a 1% access limit provides a monthly benefit of \$3,000 – pretty easy isn’t it.

### NOTES:

- 3% Monthly Benefit Access Limit not available for Benefit Bank amounts greater than \$500,000.
- In SD: Benefit Bank amounts less than \$300,000 require either 2% or 3% Monthly Benefit Access Limit.
- In WI: Benefit Bank amounts less than \$180,000 require either 2% or 3% Monthly Benefit Access Limit.

**Transition Statement: So with our plan selected, the next question is how will the LifeSecure plan pay-out if your employee needs care?**

# Multi-life LTC Program



## Qualification Guidelines for Simplified Issue Underwriting

- **Employer Contribution**
  - $\geq 3$  employer-paid employees, or
  - $\geq 10$  employer-paid employees and spouses/partners\*
- **Voluntary**
  - $\geq 75$  eligible employees
- **Benefit Bank**
  - $\leq \$400,000$
- **Ages 18-68**
- **Actively-at-work  $\geq 20$  hrs/wk**  
(not applicable to employer-paid spouses/partners\*)

\* In DC, Spouse/Domestic or Legal Partner

## Slide12 – Multi-life LTC Program

### NOTES:

Simplified Issue is an abbreviated form of underwriting which requires applicants to answer **only five** “yes or no” questions about their health history.

For groups with fewer than 75 eligible employees, an employer premium contribution is required to qualify for simplified issue underwriting.

Other requirements for Simplified Issue Underwriting include the amount of the Benefit Bank, the applicant’s age and number of hours he or she works per week.

# Multi-life LTC Program



- **Flexible plan contributions**
  - Fully-paid offering
  - Partially-paid offering (with buy-up option)
  - Voluntary basis (employee-pay-all)
- **Employer contribution discount available**
- **Discounts for couples**
- **Easy payroll deduction**
  - Group list bills for employee/spouse and separation of employer-paid vs. payroll deducted premiums
- **Additional family members eligible for coverage**

## Slide 13 – Multi-life LTC Program

### NOTES:

LifeSecure's multi-life program makes it easy for you to offer individual long term care insurance to your employees in the way that best suits your organization's philosophy and budget:

- As a fully-paid offering
- As a partially-paid offering (with a buy-up option)
- Or, on a voluntary basis (where the employee pays all of the premium)

Policyholders will receive LifeSecure's multi-life rate discount, in addition to spousal and/or couples discounts, if applicable.

LifeSecure will provide a group list bill for easy payroll deduction. The bill will include a list of employees and their spouses and/or partners, and also separates out employer-paid premium from payroll deductions.

You may also extend the opportunity to apply for coverage to your employees' family members, even in cases where the employee does not wish to apply, but a family member does.

# Multi-life LTC Program



- **Potential tax deductions for employer premium contributions**
- **Fully portable**

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

## Slide 14 – Multi-life LTC Program

### NOTES:

If you decide to contribute all or part of the premium, your organization may be eligible for tax deductions.

And because LifeSecure's long term care insurance is an **individual** policy, the coverage and discounted rates are fully portable if a policyholder should leave your company.

# S-Corps: Tax Advantages for LTCi Premiums



- ❑ Premiums paid for an owner is included in individual gross income
- ❑ A self-employed health insurance deduction can be taken for LTCi premiums paid (subject to the IRS age-based limits)

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

## Slide 15.1 – Option 2

### S-Corps: Tax Advantages for LTCi Premiums

#### NOTES:

Partners or more than 2% shareholders of S-Corps are considered to be self-employed owners and can deduct tax-qualified long term care insurance premiums as a trade or business expense similar to traditional health and accident insurance premiums. A tax deduction is allowed for the self employed individual, for his or her spouse and other tax dependents. The annual deductible maximum for each covered individual is subject to the IRS age-based limits.

# C-Corps: Tax Advantages for LTCi Premiums



- ❑ **100% deductible as business expense**
- ❑ **Not included as part of the employees gross income**
- ❑ **Coverage can be offered to spouses/partners/retirees**
- ❑ **Payroll taxes not required**
- ❑ **Executive carve-outs for key individuals**

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

## Slide15.2 – Option 1

### C-Corps: Tax Advantages for LTCi Premiums

#### NOTES:

C-Corps can benefit from complete (100%) deductibility of the tax-qualified long term care insurance premiums as a business expense. Long Term Care Insurance (LTCi) can be purchased for employees and owners.

Employer paid long-term care insurance premiums are not reported or included as part of the employee's gross income. They are not included on W-2 statements. Plus, there's no payroll tax on amounts paid. Company paid policies can cover spouses and domestic partners, even though they are not employed by the corporation ... and even retirees.

Corporations may create an "Executive Carveout" plan for key individuals by selecting and paying for the cost of insurance protection.

# Tax Advantages for LTCi Premiums



Attained Age Before Close of [2009]	Maximum Amount Per Individual	Maximum Amount Per Couple
40 or less	[\$320]	[\$640]
More than 40 but not more than 50	[\$600]	[\$1,200]
More than 50 but not more than 60	[\$1,190]	[\$2,380]
More than 60 but not more than 70	[\$3,180]	[\$6,360]
More than 70	[\$3,980]	[\$7,960]

[Source: IRS Revenue Procedure 2008-66 (2009 limits)]

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

## Slide16 – Tax Advantages for LTCi Premiums

### NOTES:

S-Corps and individuals may take a self-employed tax deduction listed when paying for long term care insurance premiums, up to the appropriate annual maximum dollar amount.

# Limitations and Exclusions



## □ No benefits, including the Flexible Benefit, will be payable under the Policy for:

- a loss that occurs while this Policy is not in force; or
- an illness, treatment or medical condition that is due to war or act of war, whether declared or undeclared (**In OK**: while serving in the military or an auxiliary unit attached to a military unit, or working in an area of war whether voluntarily or as required by an employer); or
- an illness, treatment or medical condition that results from an attempt at suicide while sane or insane (**In MO**: while sane) or an intentionally self-inflicted injury; or
- expenses for treatment or rehabilitation (**In ID**: no rehabilitation) related to alcoholism or drug addictions; or
- expenses for services or items to the extent that such expenses are reimbursable under Title XVIII of the Social Security Act (Medicare), or would be so reimbursable but for the application of a deductible or coinsurance amount; or
- care or services, unless otherwise required by law, for which benefits are duplicated or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law (**In MD**: exclusion for motor vehicle no-fault law is not applicable); or
- care or services provided outside the United States of America, its territories or possessions, or Canada.
- **In MD**: payment of any claim, bill or other demand or request for payment for healthcare services that the appropriate regulatory board determines were provided as a result of prohibited referral.

## □ The following two exclusions do not apply to the Flexible Benefit:

- care or services provided by a family member unless:
  - he or she is a regular employee of an organization which is providing the treatment, service or care; and
  - the organization receives the payment for the treatment, service or care; and
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; or
- care or services for which no charge is made in the absence of insurance.

*Availability of benefits, amounts, options and discounts, as well as plan limitations and exclusions, may vary by state.*

## Slide 17– Limitations and Exclusions

### NOTES:

The final slide of our presentation shows plan limitations and exclusions.

SERFF Tracking Number: LFSC-126300607

State: Arkansas

Filing Company: LifeSecure Insurance Company

State Tracking Number: 43638

Company Tracking Number:

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.001 Qualified

Product Name: Powerpoints

Project Name/Number: /

## Supporting Document Schedules

	Item Status:	Status
<b>Satisfied - Item:</b> Explanation of Variability	Filed	10/16/2009
<b>Comments:</b>		
<b>Attachments:</b>		
Explanation of Variability LS-0316 ST-V 08 09.pdf		
Explanation of Variability - LS-0382 ST-V 08.09.pdf		
Attachment A_revised.pdf		
Genworth 2009 Cost of Care Maps pdf.pdf		
Genworth_Cost of Care_April 2009_ARKANSAS pdf.pdf		

# EXPLANATION OF VARIABILITY

## LONG TERM CARE INSURANCE

### CONSUMER PRESENTATION LS-0316 ST 08/09

#### **Intro Slides A,B,C,D, E – Worry less about long term care.**

- Bracketed slides are for use with large audiences and will not be used on web version. This is a series of five images that rotate at the beginning of the presentation as an introduction.

Notes, provided for each slide, are to be used by speakers and for voice-over script on web.

#### **Slide 1 - LifeSecure Long Term Care Insurance**

- Bracketed text for use when presented to multi-life employer groups or associations. Text will be customized with the Group/Association's name and/or logo.
- Bracketed text in Notes section, opening sentence, has two options depending on audience. First option will be used when presentation is given by agent in a face-to-face situation with clients. The second option will be used when presentation is viewed by clients, without an agent, such as on the LifeSecure website.

#### **Slide 4 – What is the cost of LTC?**

- Variable options are bracketed for state specific and/or national average medians for annual costs of care. See Attachment A for state specific details from current study.
  - Footnote is bracketed to allow an update of figures and reference for future studies.

#### **Slide 5 - What is the financial value of Long Term Care Insurance (LTCI)?**

12 variable options:

- Examples are provided for ages 40, 50 and 60 years. Monthly Premium rates are calculated (for each age) as follows:
  - individual preferred rate, full underwriting with no discount
  - individual preferred rate, full underwriting with 5% association discount
  - multi-life rate, simplified issue with no discount
  - multi-life rate, simplified issue with 5% discount
- Values for Monthly Premium will change depending on age and rate/discount offered.
- Value for number of Total Premium Years will change so, when combined with age, the total will equal 80 years. Examples are provided for:
  - 40 year old, Total Premium 40 Years
  - 50 year old, Total Premium 30 Years
  - 60 year old, Total Premium 20 Years
- Value for Total Premium will change with age and years of payments.
- Lifetime Benefit will remain \$200,000 on all slides.
- Value for Monthly Deposits will match Monthly Premium value.
- Value for number of Deposit Years will match Total Premium Years.
- Value for Deposit Years will change with age and years of payments.
- Value for Total Saved with Interest will change depending on Monthly Deposits and Deposit Years.
- Numeric values in the Notes section will change with corresponding values in each slide.

## Slide 14 - How much will it cost?

Four variable options:

- Examples are provided for ages 40, 50 and 60 years. Monthly Premium rates are calculated (for each age) as follows:
  - individual preferred rate, full underwriting with no discount
  - individual preferred rate, full underwriting with 5% association discount
  - multi-life rate, simplified issue with no discount
  - multi-life rate, simplified issue with 5% discount
- Numeric values in the Notes section will change with corresponding values in each slide.

## Slide 16 - Why purchase now?

Two variable options:

### Option 1:

To be used with clients who are not affiliated with a multi-life employer group or association  
Bracket (at bottom of slide)

- phone number is bracketed so it can be customized with a contact number.

### Notes Section

- bracketed text will be used when:
  - an agent is presenting and phone number is customized to contact.
  - presentation is viewed on the web and directed to LifeSecure's call center.

### Option 2:

To be used with clients who are affiliated with a multi-life employer group or association

### Bullet 1

- bracketed text will be used when LTCi offering is simplified issued

### Bullet 6

- bracketed text will be used when payroll deduction is offered through an employer.

### Bullet 7

- bracketed text will be used when discount is extended to family members of a group or association.

### Brackets (at bottom of slide)

- phone number is bracketed so it can be customized with agency/agent contact number.
- Line 1 – will be customized with Group/Association's name
- Line 2 – The use of "employees" or "members" will be determined by the client's audience for which the discount applies. (example: ABC Credit Union members or ABC Company employees). Number will be specific to this audience.
- Line 3 – Bracketed text will be used when discount is extended to family members and/or retirees. Number will be specific to this audience.

### Notes section:

- Line 1 – bracketed text will be used with multi-life, simplified issue clients.
- Line 5 – "Employment" will be used with employer groups, "Membership" will be used with association members.
- Line 6 – will be used when discount is offered to employees of a group or members of an association.
- Line 7 – will be used when payroll deduction is offered by an employer.
- Line 8 – will be used when LTCi offering is extended to family members of a multi-life group or association; when a discount is extended to family members.
- bracketed text will be used when:
  - an agent is presenting and phone number is customized to contact.
  - presentation is viewed on the web and directed to LifeSecure's call center.

# EXPLANATION OF VARIABILITY

## LONG TERM CARE INSURANCE

### EMPLOYER PRESENTATION LS-0382 ST 08/09

Notes, provided for each slide, are to be used by speakers.

#### **Slide 1 - LifeSecure Long Term Care Insurance**

- Bracketed text will be customized with the Group/Association's name and/or logo.
- Bracketed text in Notes section, opening sentence has two options:
  - Option 1 – Personalized greeting to be customized by agent.
  - Option 2 – General greeting without customization.

#### **Slide 5 – What is the cost of LTC?**

- Variable options are bracketed for state specific and/or national average medians for annual costs of care. See Attachment A for state specific details from current study.
  - Footnote is bracketed to allow an update of figures and reference for future studies.

#### **Slide 10 - What is the financial value of Long Term Care Insurance (LTCI)?**

12 variable options:

- Examples are provided for ages 40, 50 and 60 years. Monthly Premium rates are calculated (for each age) as follows:
  - individual preferred rate, full underwriting with no discount
  - individual preferred rate, full underwriting with 5% association discount
  - multi-life rate, simplified issue with no discount
  - multi-life rate, simplified issue with 5% discount
- Values for Monthly Premium will change depending on age and rate/discount offered.
- Value for number of Total Premium Years will change so, when combined with age, the total will equal 80 years. Examples are provided for:
  - 40 year old, Total Premium 40 Years
  - 50 year old, Total Premium 30 Years
  - 60 year old, Total Premium 20 Years
- Value for Total Premium will change with age and years of payments.
- Lifetime Benefit will remain \$200,000 on all slides.
- Value for Monthly Deposits will match Monthly Premium value.
- Value for number of Deposit Years will match Total Premium Years.
- Value for Deposit Years will change with age and years of payments.
- Value for Total Saved with Interest will change depending on Monthly Deposits and Deposit Years.
- Numeric values in the Notes section will change with corresponding values in each slide.

#### **Slides 15.1 and 15.2 – Tax Advantages of LTCi Premiums**

One or both slides may be presented.

- Tax Advantages for S-Corps
- Tax Advantages for C-Corps

Attachement A - REVISED for Arkansas

		2009 Cost of Care Average Median Annual Cost		
State		Home Health Aide (Non Medicare Certified)	Assisted Living Facility	Nursing Home
	National	\$ 19,240	\$ 33,903	\$ 74,208
1	Alabama	\$ 15,855	\$ 32,923	\$ 61,498
2	Alaska	\$ 19,760	\$ 57,624	\$ 187,610
3	Arizona	\$ 19,932	\$ 35,700	\$ 77,211
4	Arkansas	\$ 16,352	\$ 25,980	\$ 52,195
5	California	\$ 21,756	\$ 34,720	\$ 83,967
6	Colorado	\$ 20,085	\$ 35,468	\$ 75,979
7	Connecticut	\$ 27,232	\$ 45,428	\$ 125,925
8	Delaware	\$ 20,800	\$ 39,018	\$ 84,498
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39	Rhode Island	\$ 24,700	\$ 45,600	\$ 103,660
40	South Carolina	\$ 17,524	\$ 31,085	\$ 64,387

Attachement A - REVISED for Arkansas

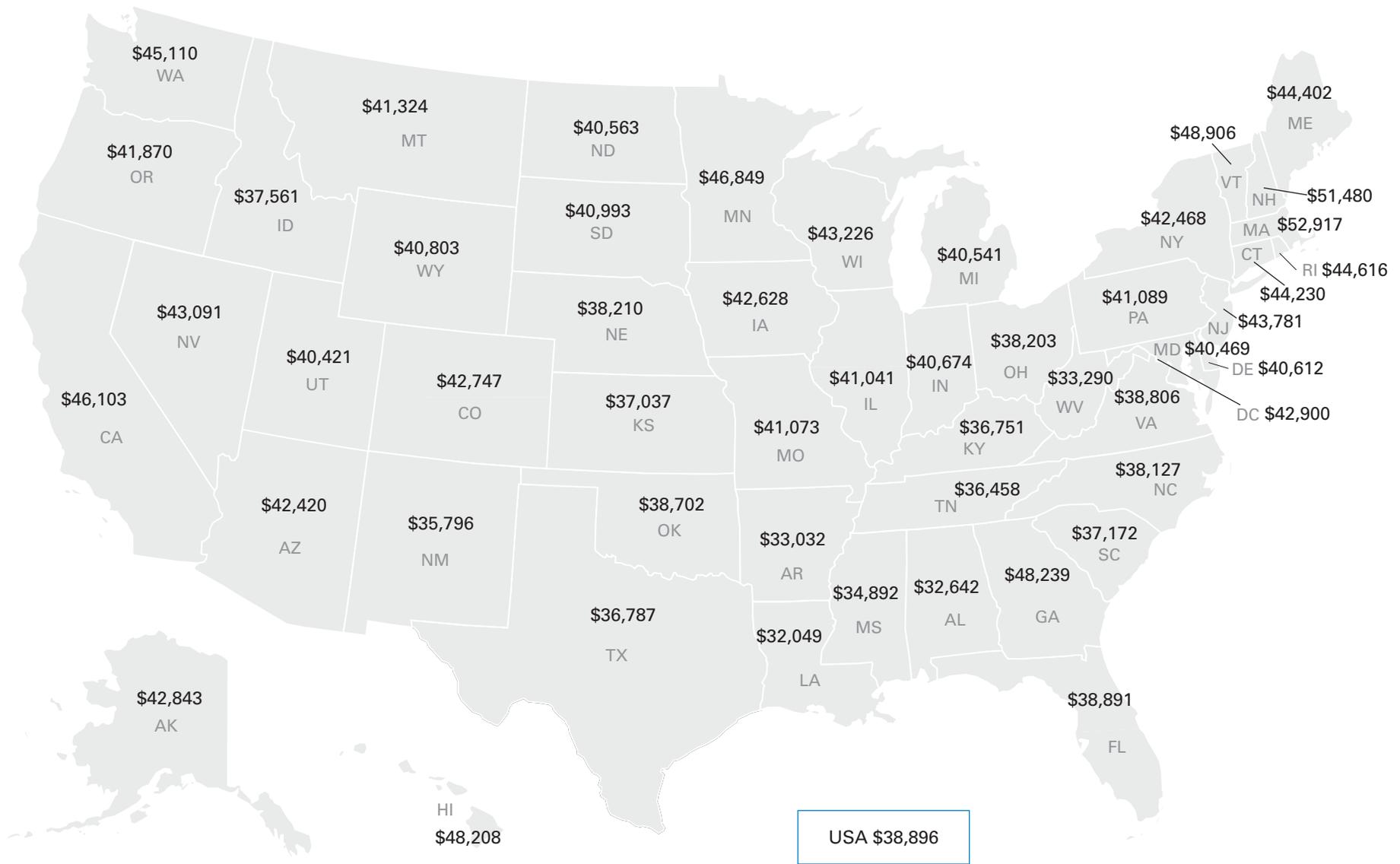
41	South Dakota	\$ 19,327	\$ 29,390	\$ 65,974
42	Tennessee	\$ 17,339	\$ 30,548	\$ 63,911
43	Texas	\$ 17,570	\$ 32,380	\$ 58,056
44	Utah	\$ 19,570	\$ 32,910	\$ 59,860
45	Vermont	\$ 22,230	\$ 40,005	\$ 92,026
46	Virginia	\$ 18,664	\$ 33,822	\$ 70,301
47	Washington	\$ 21,869	\$ 38,410	\$ 80,473
48	West Virginia	\$ 15,704	\$ 27,960	\$ 71,047
49	Wisconsin	\$ 21,468	\$ 38,411	\$ 82,268
50	Wyoming	\$ 21,753	\$ 36,350	\$ 69,593
51	DC	\$ 20,540	\$ 36,000	\$ 78,170

**COST OF CARE MAPS  
GENWORTH 2009  
COST OF CARE SURVEY**

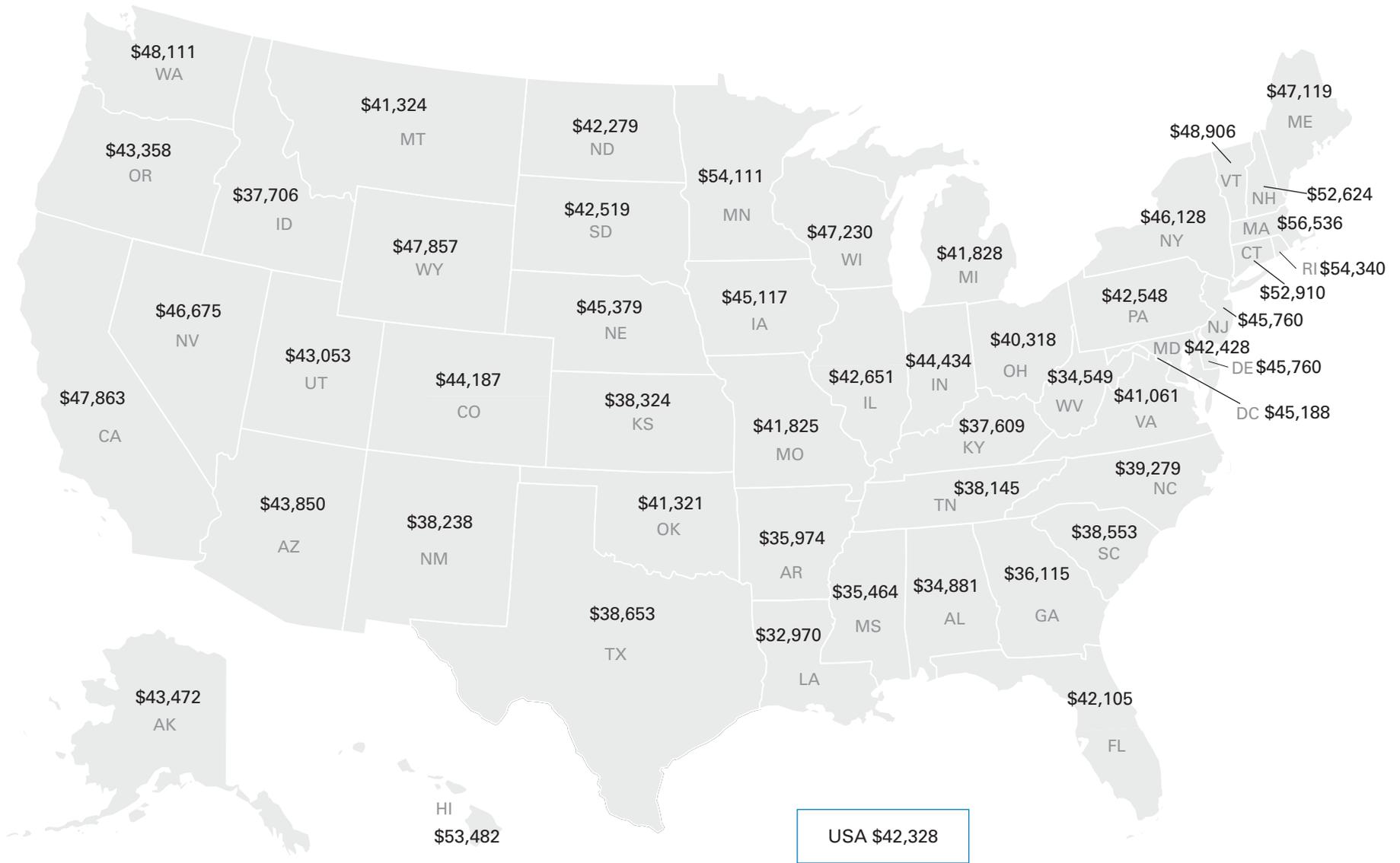
**APRIL 2009**

Home Care Providers,  
Adult Day Health Care Facilities,  
Assisted Living Facilities and  
Nursing Homes

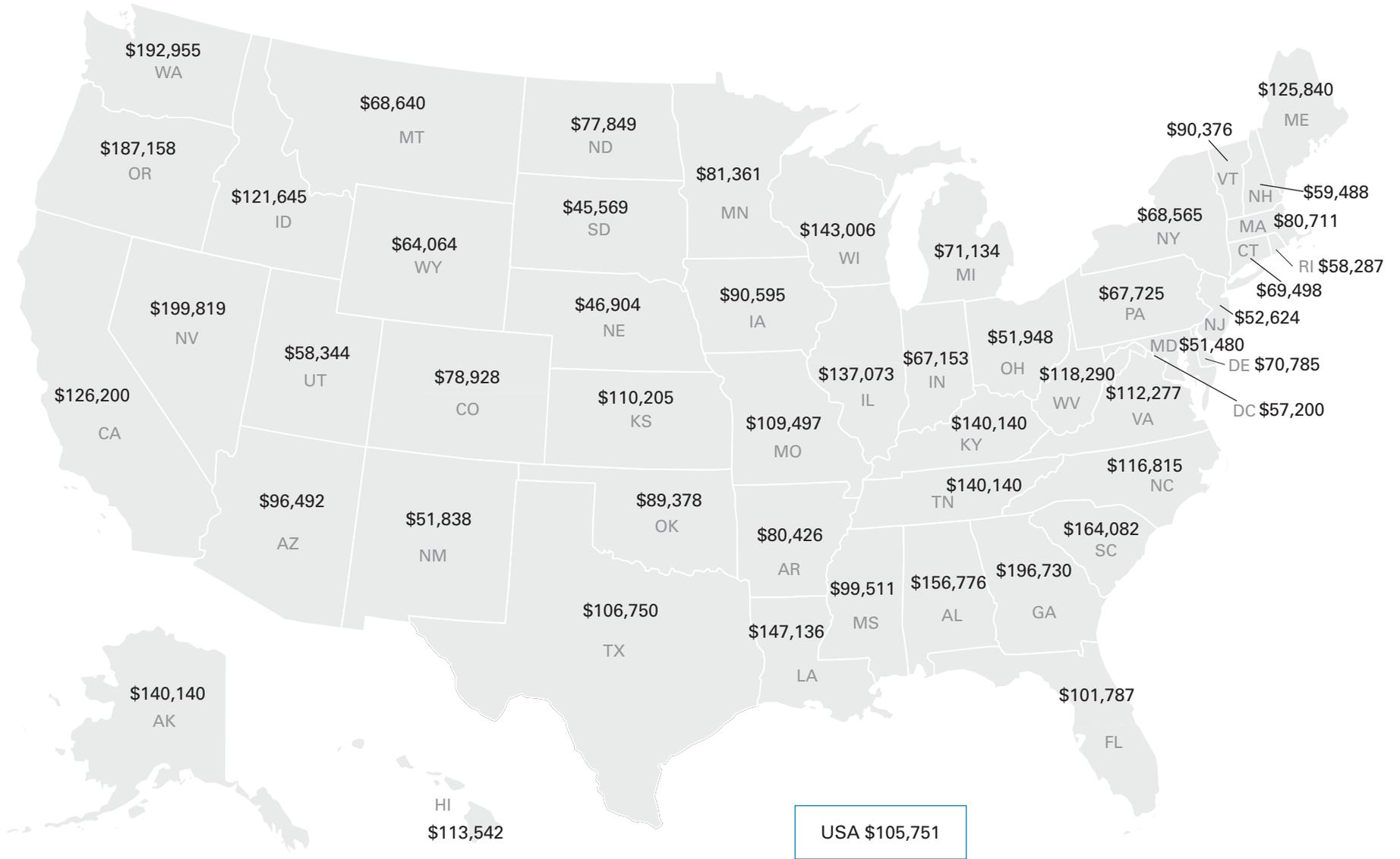
### HOME CARE: HOMEMAKER SERVICES AVERAGE MEDIAN ANNUAL EXPENSE



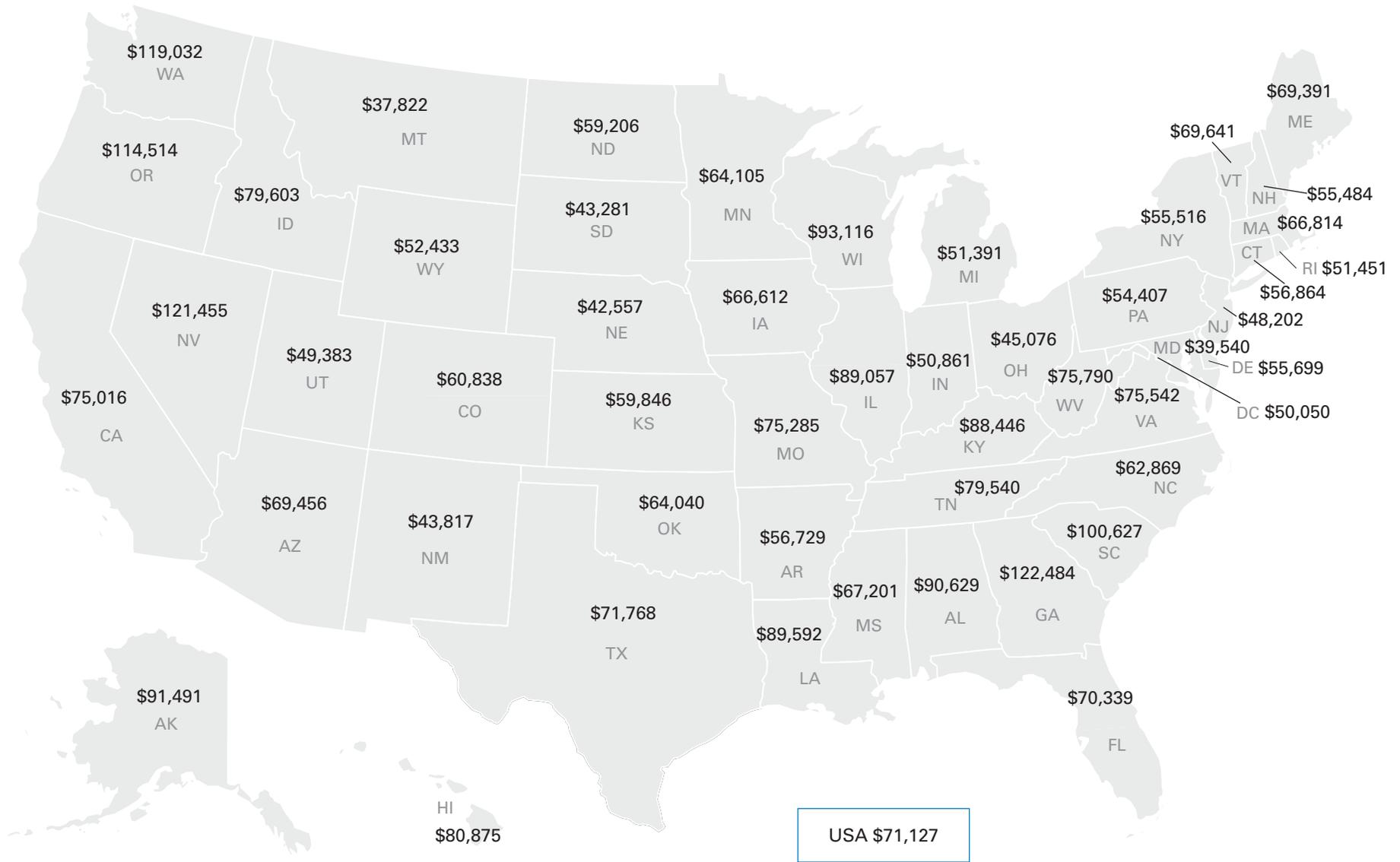
## HOME CARE: HOME HEALTH AIDE (NON-MEDICARE CERTIFIED, LICENSED) AVERAGE MEDIAN ANNUAL EXPENSE



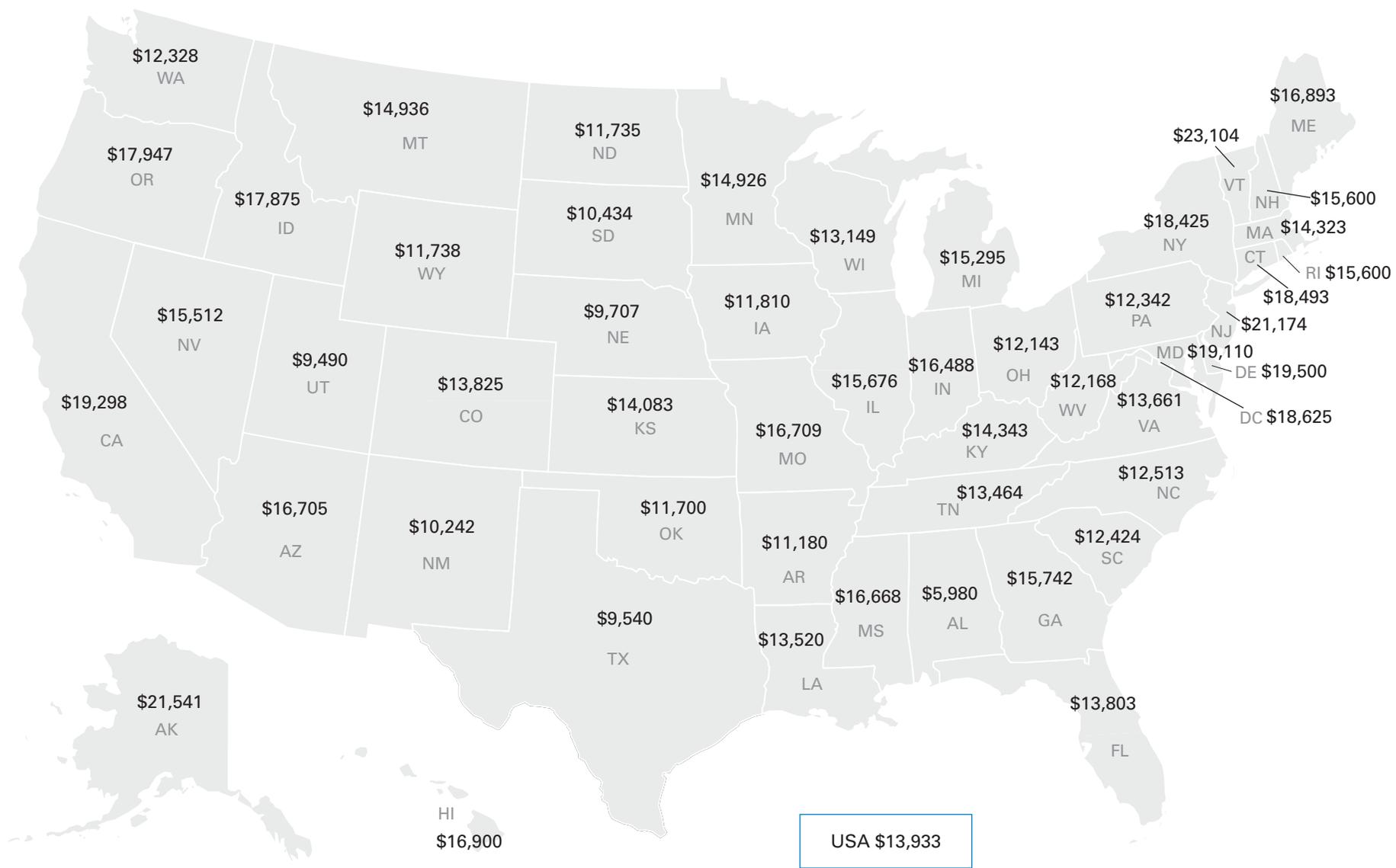
### HOME CARE: HOME HEALTH AIDE (MEDICARE CERTIFIED) AVERAGE MEDIAN ANNUAL EXPENSE



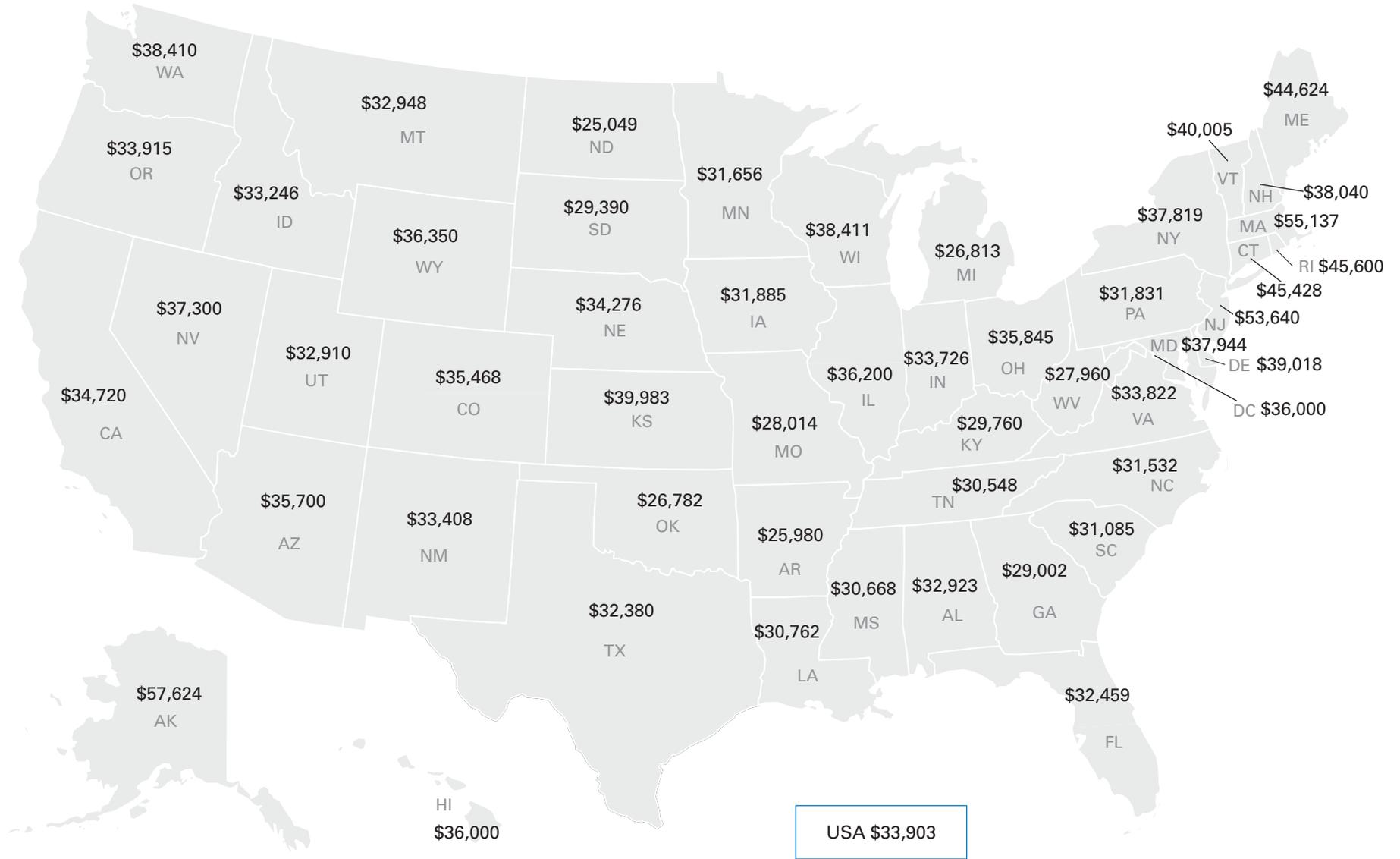
## HOME CARE: HOME HEALTH AIDE (BOTH PROVIDER TYPES) AVERAGE MEDIAN ANNUAL EXPENSE



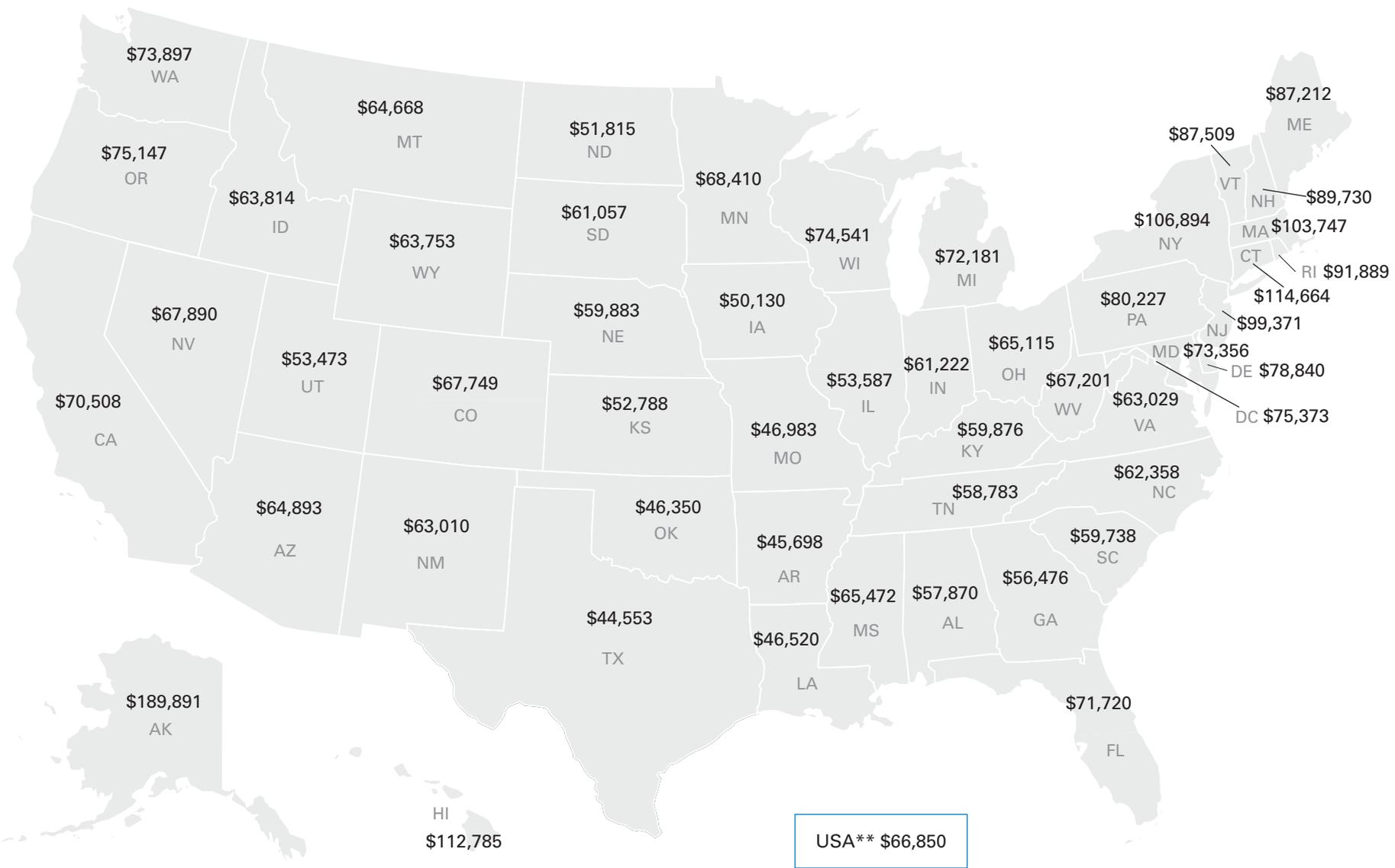
## ADULT DAY HEALTH CARE AVERAGE MEDIAN ANNUAL EXPENSE



## ASSISTED LIVING FACILITY: PRIVATE ONE BEDROOM AVERAGE MEDIAN ANNUAL RATE

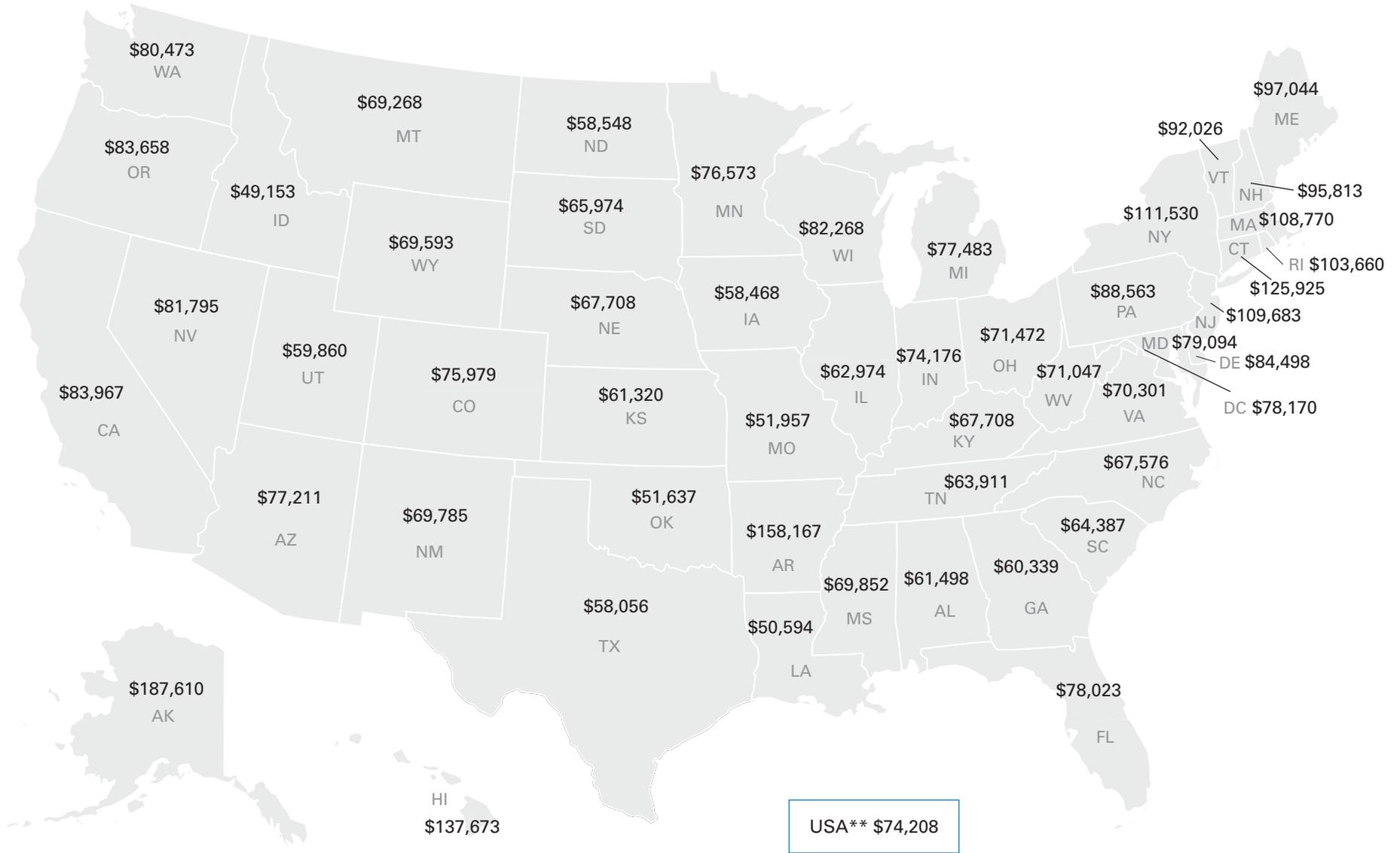


### NURSING HOME: SEMI-PRIVATE ROOM AVERAGE MEDIAN ANNUAL RATE



\*\*Numbers exclude Puerto Rico

## NURSING HOME: PRIVATE ROOM AVERAGE MEDIAN ANNUAL RATE



\*\*Numbers exclude Puerto Rico

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Headquartered in Waltham, Massachusetts, CareScout helps Americans across the United States find quality care providers for their long term care needs. As an objective source for this provider information, CareScout, now part of the Genworth Financial family of companies, developed the nation's first quality-of-care ratings system for certified nursing homes and home care providers. Large employers, risk underwriters and families rely on CareScout's proprietary ratings system, the CareScout network and its database of more than 90,000 nursing homes, assisted living facilities and home care agencies to help find and arrange the most appropriate care for loved ones. For more information, visit [www.carescout.com](http://www.carescout.com).

## ABOUT GENWORTH FINANCIAL

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Genworth operates through three segments: Retirement and Protection, U.S. Mortgage Insurance and International. Its products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists.

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From time to time, Genworth releases important information via postings on its corporate Web site. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic e-mail alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the "Investors" section of [Genworth.com](http://Genworth.com).

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STATE-SPECIFIC  
DATA FOR ARKANSAS  
FROM THE  
GENWORTH 2009  
COST OF CARE SURVEY

APRIL 2009

Home Care Providers,  
Adult Day Health Care Facilities,  
Assisted Living Facilities and  
Nursing Homes

# ARKANSAS

## HOMEMAKER SERVICES HOURLY RATES (NON-MEDICARE CERTIFIED, LICENSED)

Region	Minimum Hourly Rate	Maximum Hourly Rate	Median Hourly Rate	Five-Year Annual Growth*
Fayetteville	\$12	\$16	\$15	1%
AR/OK - Fort Smith	\$15	\$15	\$15	†
Jonesboro	\$17	\$17	\$17	8%
Little Rock	\$13	\$18	\$16	†
Pine Bluff	\$8	\$8	\$8	-13%
AR/TX - Texarkana	\$16	\$16	\$16	N/A
Rest of State	\$14	\$18	\$15	2%

## HOME HEALTH AIDE SERVICES HOURLY RATES (NON-MEDICARE CERTIFIED, LICENSED)

Region	Minimum Hourly Rate	Maximum Hourly Rate	Median Hourly Rate	Five-Year Annual Growth*
Fayetteville	\$14	\$18	\$18	3%
AR/OK - Fort Smith	\$15	\$15	\$15	†
Jonesboro	\$17	\$17	\$17	6%
Little Rock	\$14	\$18	\$16	2%
Pine Bluff	\$12	\$12	\$12	N/A
AR/TX - Texarkana	\$18	\$18	\$18	N/A
Rest of State	\$15	\$18	\$16	3%

## HOME HEALTH AIDE SERVICES HOURLY RATES (MEDICARE CERTIFIED)

Region	Minimum Hourly Rate	Maximum Hourly Rate	Median Hourly Rate	Five-Year Annual Growth*
Fayetteville	\$21	\$80	\$51	N/A
AR/OK - Fort Smith	\$14	\$75	\$20	7%
Jonesboro	\$14	\$65	\$40	15%
Little Rock	\$15	\$90	\$27	12%
Pine Bluff	\$15	\$15	\$15	N/A
AR/TX - Texarkana	\$49	\$150	\$50	0%
Rest of State	\$9	\$87	\$45	34%

## HOME HEALTH AIDE SERVICES HOURLY RATES (BOTH PROVIDER TYPES)

Region	Minimum Hourly Rate	Maximum Hourly Rate	Median Hourly Rate
Fayetteville	\$14	\$80	\$33
AR/OK - Fort Smith	\$14	\$75	\$17
Jonesboro	\$14	\$65	\$28
Little Rock	\$14	\$90	\$21
Pine Bluff	\$12	\$15	\$11
AR/TX - Texarkana	\$18	\$150	\$33
Rest of State	\$9	\$87	\$30

†Less than 0.5% growth or decline.

\*Represents the compound annual growth rate based on Genworth Cost of Care survey data from 2005-2009

Genworth 2009 Cost of Care Survey

# ARKANSAS

## ADULT DAY HEALTH CARE DAILY RATES

Region	Minimum Daily Rate	Maximum Daily Rate	Median Daily Rate	Median Annual Rate*
Fayetteville	N/A	N/A	\$44	\$11,403
AR/OK - Fort Smith	N/A	N/A	\$46	\$11,925
Jonesboro	N/A	N/A	N/A	N/A
Little Rock	N/A	N/A	\$44	\$11,448
Pine Bluff	N/A	N/A	\$44	\$11,448
AR/TX - Texarkana	\$41	\$41	\$41	\$10,660
Rest of State	\$45	\$45	\$45	\$11,700

## ASSISTED LIVING FACILITY MONTHLY RATES (PRIVATE ONE BEDROOM)

Region	Minimum Monthly Rate	Maximum Monthly Rate	Median Monthly Rate	Median Annual Rate	Five-Year Annual Growth*
Fayetteville	\$1,150	\$3,450	\$2,550	\$30,600	N/A
AR/OK - Fort Smith	\$1,350	\$2,825	\$1,763	\$21,150	15%
Jonesboro	\$1,250	\$3,118	\$2,225	\$26,700	22%
Little Rock	\$1,300	\$4,200	\$1,968	\$23,610	N/A
Pine Bluff	\$1,950	\$1,950	\$1,950	\$23,400	N/A
AR/TX - Texarkana	\$1,725	\$2,945	\$2,145	\$25,740	N/A
Rest of State	\$1,230	\$3,120	\$2,555	\$30,660	10%

## NURSING HOME DAILY RATES (SEMI-PRIVATE ROOM)

Region	Minimum Daily Rate	Maximum Daily Rate	Median Daily Rate	Median Annual Rate	Five-Year Annual Growth*
Fayetteville	\$83	\$180	\$128	\$46,786	1%
AR/OK - Fort Smith	\$105	\$150	\$127	\$46,255	6%
Jonesboro	\$105	\$138	\$123	\$44,713	5%
Little Rock	\$112	\$185	\$137	\$49,823	5%
Pine Bluff	\$115	\$135	\$120	\$43,800	N/A
AR/TX - Texarkana	\$100	\$150	\$115	\$41,975	5%
Rest of State	\$100	\$152	\$128	\$46,538	5%

## NURSING HOME DAILY RATES (PRIVATE ROOM)

Region	Minimum Daily Rate	Maximum Daily Rate	Median Daily Rate	Median Annual Rate	Five-Year Annual Growth*
Fayetteville	\$130	\$235	\$163	\$59,313	1%
AR/OK - Fort Smith	\$118	\$185	\$132	\$48,180	6%
Jonesboro	\$120	\$151	\$143	\$52,013	N/A
Little Rock	\$116	\$235	\$148	\$53,838	3%
Pine Bluff	\$125	\$172	\$155	\$56,575	N/A
AR/TX - Texarkana	\$125	\$150	\$129	\$47,085	5%
Rest of State	\$108	\$184	\$143	\$52,195	5%

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## ABOUT CARESCOUT

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SERFF Tracking Number: LFSC-126300607 State: Arkansas  
 Filing Company: LifeSecure Insurance Company State Tracking Number: 43638  
 Company Tracking Number:  
 TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified  
 Product Name: Powerpoints  
 Project Name/Number: /

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/15/2009	Supporting	Explanation of Variability Document	10/15/2009	Explanation of Variability LS-0316 ST-V 08 09.pdf Explanation of Variability - LS-0382 ST-V 08.09.pdf Attachement A.pdf (Superseded)

Attachement A

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Attachement A

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45	Vermont	\$	22,230	\$	40,005	\$	92,026
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