

Group Long Term Care Insurance as an Employee Benefit

A presentation for Coalition Member Institutions



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Agenda

Introduction

About AFFINITYLTC, LLC.

About Genworth Life Companies

Group Long Term Care Insurance As an Employee Benefit

Proposed Approach & Capabilities

Summary & Next Steps for Interested Member Institutions

About AFFINITYLTC, LLC

- AFFINITYLTC, LLC is a firm that specializes in the marketing and administration of employer and association-sponsored Long Term Care Insurance (LTCI) – currently one of the largest exclusive Long Term Care Insurance brokerage firms in the East.
- Through years of experience and a proven track record, AFFINITYLTC, LLC maintains a long-standing, exclusive level of contractual relationships with LTCI companies that have been made available to college and university associations for their consideration for their member institutions and their employees.

About Genworth

Genworth Overview

- A leading financial security company in the U.S., with an international presence
- Serving more than 15 million customers
- More than \$100 billion in assets
- Global operations in 25 countries

Genworth's LTC Business

- #1 provider of LTCI
- Over 40 years experience
- Over 1.2 million policyholders
- ~\$2.0 billion premium in force
- Over \$11.5 billion in claims paid¹

¹Genworth Life Insurance Company/Genworth Life Insurance Company of New York internal business data as of 9/30/14. Insurance products issued by Genworth Life Insurance Company and, in New York, by Genworth Life Insurance Company of New York

Introduction

Growth Potential of Group LTCI

- A fast growing and frequently requested employee benefit
- Offers competitive group rates and simplified underwriting
- The offering of LTCi as an employee benefit has grown by 1289% over the past 18 years *(LIMRA, 2015)*
- Offering LTCI to employees and their family members helps strengthen productivity & “presenteeism” *(Beyond Dollars, Genworth– 2015)*
 - 43% of families impacted reduce their hours at work to care for loved ones
 - 33% have lost a job or missed career opportunities
 - 30% are repeatedly absent from work

An Offer for Coalition Member Institutions

- The Coalition has done extensive due diligence to select Genworth Life Insurance Company as its Group LTCI carrier for Member Institutions and their employees
- AFFINITYLTC, LLC will serve as your primary implementation and enrollment team, assisted by Genworth Life’s implementation team
- Genworth Life will provide a consistent and equitable LTCI solution to all interested Coalition Member Institutions – including those who have previously implemented a program
- Additional benefits include:
 - Enhanced product design & simplified choices
 - Award-winning dedicated website with online enrollment for all eligible members
 - Customized marketing experience
 - Partnership Qualified Policies

What Does Long Term Care Insurance Cover?

Long term care insurance covers the costs of services for people who need help to perform everyday activities* or who need substantial supervision to ensure the person's safety.

Long term care situations can result from:

- Injuries caused by accidents
- Illnesses like MS
- Diseases like Alzheimer's or Parkinson's
- Strokes and other chronic conditions

* Activities include Bathing; Dressing; Eating; Continence; Toileting; and Transferring. Cognitive impairment that requires substantial supervision also qualifies for long term care.

Why Purchase Long Term Care Insurance?

- **Protect Savings**

Helps protect the money you've been saving for retirement, education, etc.

- **Protect Family**

Helps protect your family and friends from the burden of caregiving

- **Maintain Choice & Control**

Helps ensure you can choose where you receive your care

- **Stay At Home**

Helps reimburse expenses to make home modifications and receive home care where you're most comfortable

How Does Long Term Care Insurance Work?



A “Pool of Money”

LTCI provides a pool of money (Total Coverage Maximum) that can reimburse long term care services when and where needed

- **Home & Community Care**
 - Nurses & Therapists
 - Home Modifications
 - Adult Day Care
 - Incidental Home Maker and Chore Care
- **Assisted Living Facility Care**

Allows you to live independently with on-site support for daily basics
- **Nursing Facility Care**

Provides more skilled care, supervision, medication, therapies and rehabilitation

Your Plan Design Choices

| | Plan Design Choices |
|--------------------------------|---|
| Nursing Facility Maximums | Monthly Benefit \$1500, \$3000, \$4500, \$6000 |
| Total Lifetime Maximum “Pools” | 2 years, 3 years, 4 years (all three offered) |
| Inflation Options | FPO, ABI 3%, ABI 5% |
| Home & Community Care | 100% |
| Informal Care | Included |
| International Care | Included |
| Elimination Period | 90 Calendar Days |
| Respite Care | Included |
| Bed Reservation | Included – 60 Days |
| Waiver of Premium | Included |
| NonForfeiture | Optional |
| Portability | No Conversions |
| Partnership Qualified | State Dependent |
| Pricing tables | Unisex Rates with Blended Discounts |

How Much Coverage Do You Have?

- Think of Your Lifetime Maximum as a Total Benefit Amount*
- The Size of the Total Benefit Amount Is Calculated by Multiplying:

| | |
|-------------------------------|------------------|
| Monthly Facility Care Maximum | \$4,500 |
| x Benefit Multiplier | 36 |
| = Total Benefit Amount | \$162,000 |

* This calculation demonstrates the maximum benefits that could be paid. Benefits are paid on a reimbursement basis, and are subject to Monthly maximums by type of covered care.

Three Decisions



Monthly Benefit Amount

- \$1,500
- \$3,000
- \$4,500
- \$6,000

Select a **Monthly Benefit Amount**



Total Coverage Maximum

- \$36,000
- \$72,000
- \$108,000
- \$144,000
- \$54,000
- \$108,000
- \$162,000
- \$216,000
- \$72,000
- \$144,000
- \$216,000
- \$288,000

Select a **Total Coverage Maximum**



Benefit Increase Option

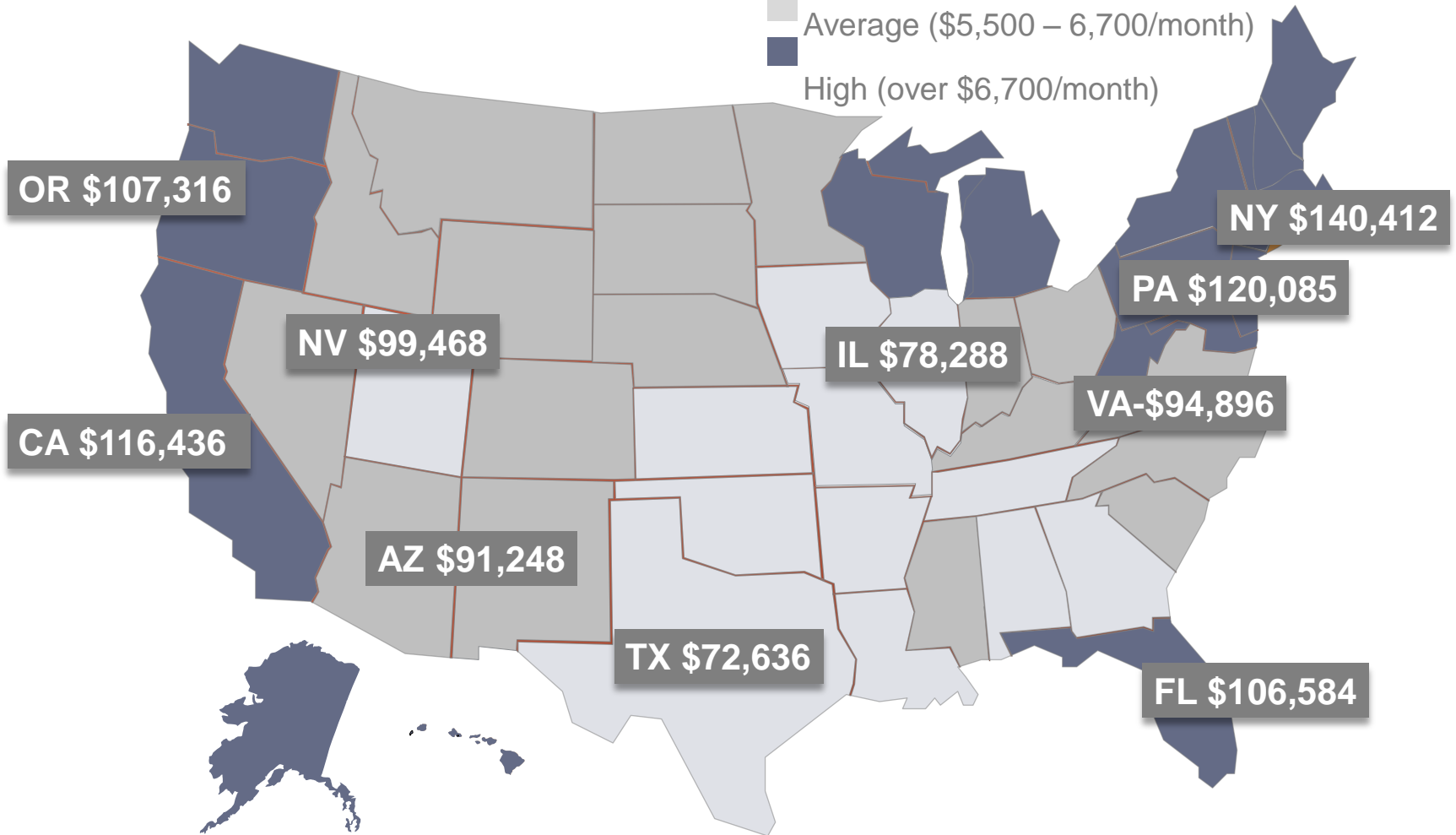
- Future Purchase Option
- Automatic 3% Compound for Life
- Automatic 5% Compound for Life

Select a **Benefit Increase Option**

Key Location Annual Costs*

National Median: \$97,452*

- Low (up to \$5,500/month)
- Average (\$5,500 – 6,700/month)
- High (over \$6,700/month)

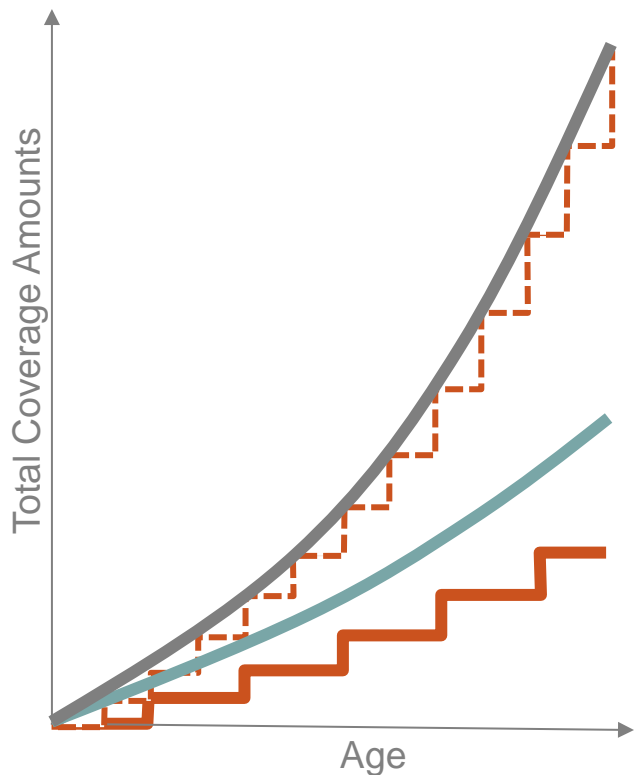


* Private Nursing Home Costs based on the 2017 Genworth Financial Cost of Care Survey, Conducted by CareScout. 4/2017

Group LTC for Coalition Member Institutions

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3 Ways to Increase Coverage for the Future



- **5% Compound Automatic Increase for Life**
 - Available for an additional premium.
 - Premiums stay level but costs most at issue
- **3% Compound Automatic Increase for Life**
 - Available for an additional premium.
 - Premiums stay level but costs more than FPO at issue
- **Buy More Coverage Over Time (FPO)**
 - Coverage can increase every 3 or 6 years
 - Built into each plan. Costs less at issue but increases with each additional purchase

This graph is representative and assumes every other FPO offer is taken. Premiums for additional coverage under the FPO option are based on your age when you accept your increase offer.

Underwriting

| During Initial Enrollment... | |
|---|--|
| Actively-at-work Employees to age 65 | Modified Guaranteed Issue Application <ul style="list-style-type: none"> • An abbreviated health form (2 question) • Height & Weight • Pre-Existing Condition Limitation applies |
| <ul style="list-style-type: none"> • Employees age 66+ • Employee's spouse/partner • Employee's family members age 18 – 75 • Retirees to age 75 • Retiree's spouse/partner to age 75 | Long Form Application Full medical underwriting, a telephonic or in-person interview may be requested. In-person interviews may include a cognitive exam and the applicant will be asked to provide blood and urine samples. |

No Age Limit for Employees

Eligible Employees must:

1. Be eligible for all broadly offered employer sponsored benefits and
2. Be working at least 20 hours per week and
3. Be Actively at Work.

Genworth Life defines an eligible employee as Actively at Work, full-time, working 20+ hours per week, on an ongoing basis. Any person working less than 20 hours per week is considered a part-time employee and is not eligible to apply for coverage. Eligible new hires can apply for coverage with reduced underwriting in the first 30 days after their date of hire or, if the Group requires a waiting period, 30 days from his or her date of benefit eligibility provided that the waiting period ends no more than 60 days from date of hire.

Who is Eligible to Apply for This Program?

- Actively at work, full-time (regularly scheduled 20 hours) employees
- Retirees and their spouses or domestic partners, under age 76
- Employee's spouse or domestic partner under age 76
- Employee's (Step) Parents and (Step) Parents-in-law under age 76
- Employee's (Step) Grandparents and (Step) Grandparents-in-law under age 76
- Adult children & their spouses and siblings & their spouses (of employee or employee's spouse) under age 76*

To be eligible, the person must maintain a permanent U.S. residence, and have a valid Social Security Number or Tax Identification number from the U.S. government.

* Not available in all states.

Dedicated Site for Web Enrollment

Control:

Allow users to determine how deep they go into any given topic.

Value:

Users can see the cost of each feature independently.

The screenshot displays a web enrollment calculator interface. On the left, three features are listed with adjustable controls:

- 1 Selected Monthly Maximum Benefit:** Set to \$3,000. Includes a "Do you need?" question and "LESS" / "MORE" buttons.
- 2 Selected Coverage Length:** Set to 3 YEARS. Includes a "Do you need?" question and "LESS" / "MORE" buttons.
- 3 Selected Benefit Options:** Includes "BENEFIT INCREASE" (grow your coverage over time) with options for NONE, 3%, and 5% (NONE is selected), and "NON-FORFEITURE" (protect your coverage) with options for YES and NO (NO is selected).

On the right, the central display shows:

- You pay:** \$48.⁴⁰ PER MONTH (Your Plan).
- You get:** \$108,000 of TOTAL COVERAGE (Monthly Maximum Benefit \$3,000).
- Need more or less?** (red text)
- ADDITIONAL PLAN DETAILS** (button)
- Apply** (orange button)

Additional UI elements include a top navigation bar with icons for home, search, and print, and a bottom information box: "See what costs can be covered with this amount" (with an info icon).

Simplicity:

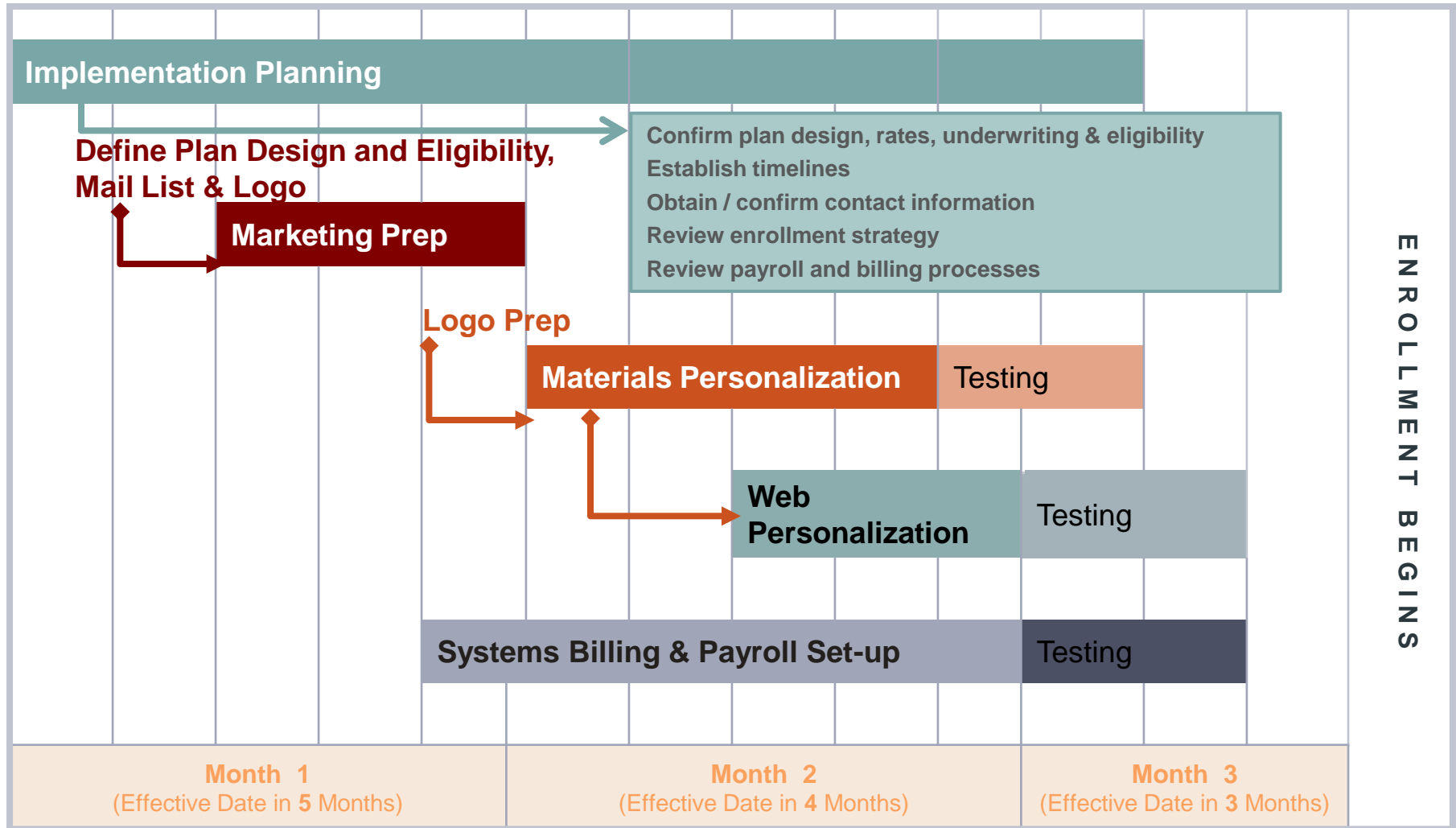
Allow users to browse for just the information you want.

Affordability:

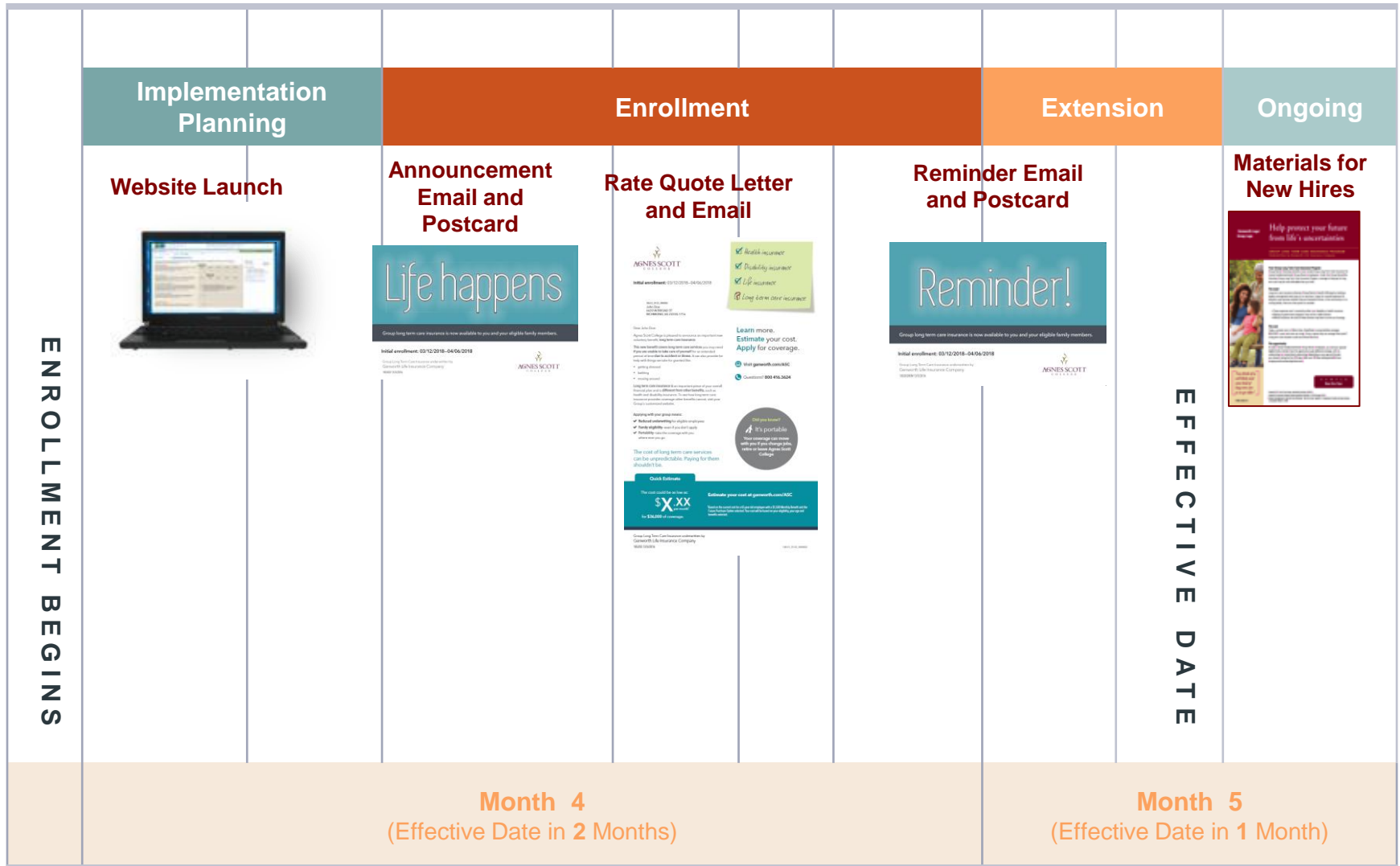
Calculator allows users to build a plan to fit their budget.

[VIEW DEMO at: https://abcdemo.ghtmlroupltc.com/learning-center/login](https://abcdemo.ghtmlroupltc.com/learning-center/login)

Open Enrollment Preparation Timeline



Open Enrollment Marketing Campaign



Long Term Care Insurance Partnerships

Long Term Care Partnership

- Recognizes Partnership Qualified Long Term Care Insurance
- Helps to protect assets for residents who purchase Partnership Qualified LTCI
- Gives [dollar-for-dollar] asset protection for each dollar of benefits paid under qualified long term care insurance

Partnership Qualified Long Term Care Insurance

- Insurance under this Group Program qualifies where certified
- The appropriate inflation protection option must be selected
 - [If you are not yet 61,] 5% Compound Automatic Benefit Increases for Life Benefit Increase Option
 - [If you are older than 60, but not yet 76,] 3% Compound Automatic Benefit Increases for Life Benefit Increase Option
 - [If you are older than 75, inflation protection is not required.]

State regulations may change.

Special Benefits for Coalition Members

- Your member schools can capitalize on organizational buying power to get reduced underwriting and competitive rates
- The Coalition has pre-screened and supports this program
- Genworth, working with AFFINITYLTC, LLC, presents a consistent and equitable approach to the needs of each member school



More Advantages of This Program

- **Flexible choices** to match your needs
- **Spouses and other family members** 18-75 can also apply
- Pays for covered care in the **full range of settings**
- Care coordination is included at **no additional cost**
- This program is **fully portable**
- There is a **30-day free look**
- **Simple implementation and enrollment**
- Premiums can be **payroll deducted, direct billed or electronic funds transfer***



* Not available in all states.

Summary

A team you can rely on...

- Industry Experience
- Financial Strength
- Conservative Approach

Who will make implementing easy for your Member Institutions...

- Simplified Implementation
- Consistent & Equitable Solution
- Strengthened Affinity

Will provide tools for employees to make the right decision...

- Award Winning Web
- Worksite & Meeting Support

And be there when employees need them most...

- Best in Class Claims Experience
- Customer Service

Next Steps...

Interested Member Institutions should contact:



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