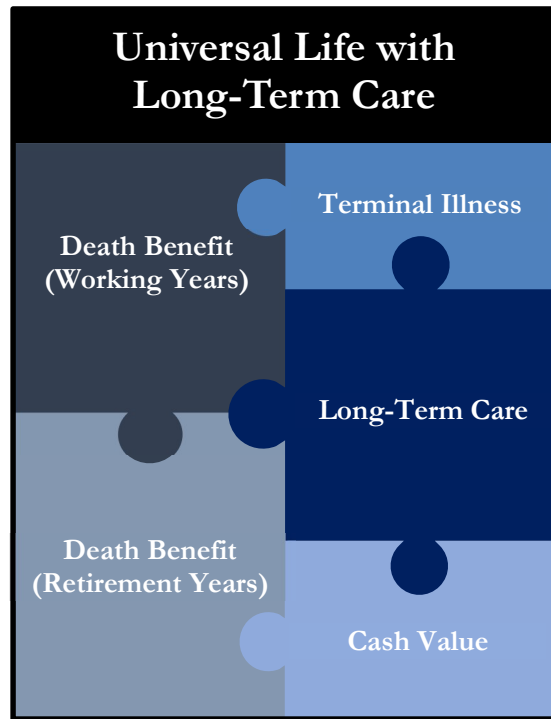


# CDPHP Long Term Care (LTC) Solution

## Product Details



*Puzzle Graphic is for Illustrative Purposes Only*

### Universal Life Policy Features

#### LTC Solution

Each month that you qualify for long-term care, 4% of the policy face amount is accelerated and paid to you for up to a total of 25 months. This results in a total maximum LTC payout equal to your policy face amount. For example, for a life insurance face amount or death benefit of \$150,000 the maximum LTC payout is \$150,000.

#### Death (Working Years)

Payment to your beneficiaries at the time of your death equal to 100% of the current policy face amount up until the later of age 70 or the beginning of the 15<sup>th</sup> policy year.

#### Death (Retirement Years)

Unlike term life insurance, the coverage will not lapse after a specific timeframe. After the later of age 70 or the beginning of the 15<sup>th</sup> policy year, one third of the current policy face amount will still be paid out as a death benefit.

#### Terminal Illness

If you are diagnosed with a terminal illness, up to 75% of your death benefit can be paid out to you as an accelerated death benefit.

#### Cash Value

Unlike term life insurance or a typical LTC policy, there is a build-up of cash value over time which can be withdrawn or borrowed against and/or be paid out at maturity if a balance exists. \*

*\* Under current assumptions, and assuming all premiums paid as required.*

*CDPHP*  
*Long Term Care (LTC) Solution*

*Key Decision Points*

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**Bypass the full underwriting process. There is no physical exam required.**



**Acquire benefits for your future with rates based on the age you are today. The younger you are when you enroll, the lower your rate.**



**Feel satisfied that even if you do not need to access long-term care, this policy will provide some form of payment to you or your family.**



**Take comfort in knowing the terms and rates do not change when you retire or leave the company for any reason.**

# *CDPHP*

## *Long Term Care (LTC) Solution*

### *Frequently Asked Questions*

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#### **What is Long-Term Care (LTC)?**

Long-Term Care services consist of qualified care received in a facility or at home for treatment of cognitive impairment or the loss of two or more of the Activities of Daily Living: Bathing; Continence; Dressing; Eating; Going to the Toilet; and Transferring. \*

#### **Why would I want Long-Term Care (LTC) insurance?**

Approximately 2 in 3 people turning age 65 will need some type of paid LTC services in their lifetime. <sup>1</sup> Often, family members are left responsible for this care. According to recent research, nearly half of Americans that have provided care or have a close friend or family member who has, have reported to have had at least one financial impact on their life; with many of them reporting to have had a physical toll from caregiving. <sup>2</sup>

*1 Department of Health and Human Services Long Term Care Information, 2020.*

*2 Caregiving in the U.S. 2020, National Alliance for Caregiving and AARP.*

#### **I'm relatively young, so why should I enroll now?**

The younger you are when you enroll, the lower your rate. Your rate will never increase due to age or if you leave your employer through retirement or any other reason. Also, the younger you are when you enroll, the sooner the policy's cash value grows. And only through this special offer are you able to bypass the full medical underwriting process.

#### **How does this Long-Term Care (LTC) benefit work?**

You are purchasing a Universal Life insurance policy with a Long-Term Care (LTC) rider (in NY a Convalescent Care Benefit rider). Each month that you qualify for long-term care, 4% of the policy face amount is accelerated and paid to you for up to a total of 25 months, resulting in total LTC payout equal to your policy face amount. For example, if your policy's face amount is \$150,000, your monthly long-term care benefit is 4% of \$150,000 = \$6,000. The \$6,000 monthly benefit X 25 months = \$150,000. Each acceleration will also reduce your death benefit amount by this same amount. In this example, the \$150,000 would reduce to \$144,000 in the first month of LTC payment and so on.

#### **How is this Long-Term Care (LTC) benefit different from a traditional LTC policy?**

The LTC Benefit is a Long-Term Care benefit rider (in NY a Convalescent Care Benefit rider) and is an acceleration of the death benefit and is not Long-Term Care Insurance (except in LA and VA, where the LTC benefit is Long-Term Care Insurance). This is different from a traditional long-term care policy or state-partnership program. It does not provide Medicaid asset protection or tax deductibility. It does, however, ensure that even if you don't need to pay for long-term care expenses your family will have access to additional life insurance benefits and the build-up of cash value. Acquiring this benefit does not preclude you from also purchasing a traditional long-term care policy on your own.

#### **Who is the insurance carrier?**

This offer is underwritten by Trustmark Insurance Company, which is rated A (Excellent) for financial strength by A.M. Best. Plan forms GUL.205/IUL.205 and applicable riders are underwritten by Trustmark Insurance Company, Lake Forest, Illinois. In New York, plan form IUL.205 NY and applicable riders are underwritten by Trustmark Life Insurance Company of New York, Albany, New York.

#### **How do I qualify for coverage?**

Through this offer only, you are able to acquire this coverage while bypassing the full medical underwriting process. You will not have to undergo a physical exam, give blood or urine, or submit to a cognitive test.

You may need to answer a few health history questions depending on your age and/or benefit amount selected.

### **How will I see the funding and cash value of my policy?**

Full illustrations are provided at the time of policy issuance. There is also an annual report which provides activity over the past year. The report shows the effect of paying no further premiums both on a current and guaranteed basis. Your illustration will show your actual values, but generally, based on annual target premium payments, the policy and premiums are designed to make it to age 100 on a current basis. (Current credited interest rate is 3%.)

### **Will my premiums increase as I get older or leave my employer?**

No. The younger you are when you enroll, the lower your rate. Your rate will never increase due to age or if you leave your employer through retirement or any other reason.

### **Can I cancel or decrease my benefit at any time?**

Yes, you may always decrease or cancel your coverage at any time.

### **What else should I know?**

The LTC rider (in NY a Convalescent Care Benefit rider) does not pay benefits for loss due to a Pre-existing Condition that starts during the first six months after the effective date. A Pre-existing Condition means during the first six months immediately prior to the Effective Date of the rider: Sickness or Injury for which medical care, diagnosis or advice was received or recommended; or the existence of symptoms which would have caused an ordinarily prudent person to seek medical care, treatment, diagnosis or advice. \*

The maturity date of the policy is policy anniversary after the insured reaches age 100. At the maturity date, the cash value of the policy is paid out and the contract expires. The target cash value at maturity date is intended to be similar to, but may not be equal to, the death benefit. The actual value could be higher (for example if interest rates increase) or lower (for example if interest rates decrease).

To date, Trustmark has never increased cost of insurance or expense charges for this current generation Universal Life product since its inception in 2005. In the event cost of insurance or expense charges increased and/or interest rates decreased, there would still be no change to your premium. However, your annual report and illustration will reflect these changes and indicate the revised policy maturity date (i.e. coverage may end sooner than age 100). You will also have the option to increase your premium payments to maintain the targeted maturity date based on an attained age of 100.

*\* State Variations may apply. Please consult your policy for complete details. Benefits, definitions, exclusions and limitations, naming conventions and availability may vary by state. The LTC Benefit is a Long-Term Care benefit rider (in NY a Convalescent Care Benefit rider) and is an acceleration of the death benefit and is not Long-Term Care Insurance (except in LA and VA, where the LTC benefit is Long-Term Care Insurance). This is different from a traditional long-term care policy or state-partnership program. It does not provide Medicaid asset protection or tax deductibility. It does, however, ensure that even if you don't need to pay for long-term care expenses your family will have access to additional life insurance benefits and the build-up of cash value. Acquiring this benefit does not preclude you from also purchasing a traditional long-term care policy on your own.*