



Whole Life with Long Term Care

Enrollment Dates: November 6th – November 20th

Bret Panveno, VP, National Accounts
November 5th, 2024



Agenda

Tuesday, November 5th | 11:00 – 11:30am CST



Introduction



Goals for the presentation



Why LTC Insurance?



Key Features of Group Whole Life Insurance



How do the benefits work?



Enrollment & Post Enrollment



Questions?



Allstate[®]
BENEFITS

Why Long-Term Care Insurance?



Why is Long Term Care insurance important?



Aging population of the United States

- By 2030 there will be more people over age 65 than under 18.¹
- Approximately 70% of people turning 65 can expect to use some form of long-term care during their lives.²



Cost of LTC services continue to rise

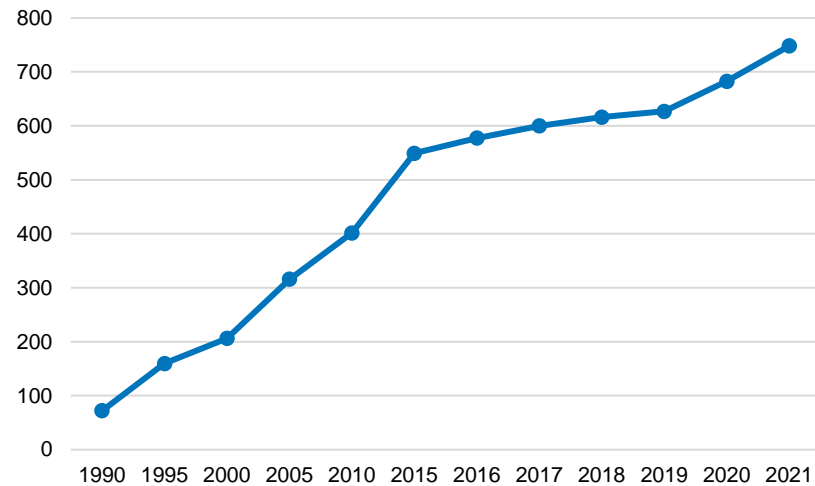
Annual median costs (National)³:

- Home Health Aide: \$75,504
- Assisted Living Facility: \$64,200
- Semi-private room: \$104,025
- Private room: \$116,800

State Medicaid Budgets

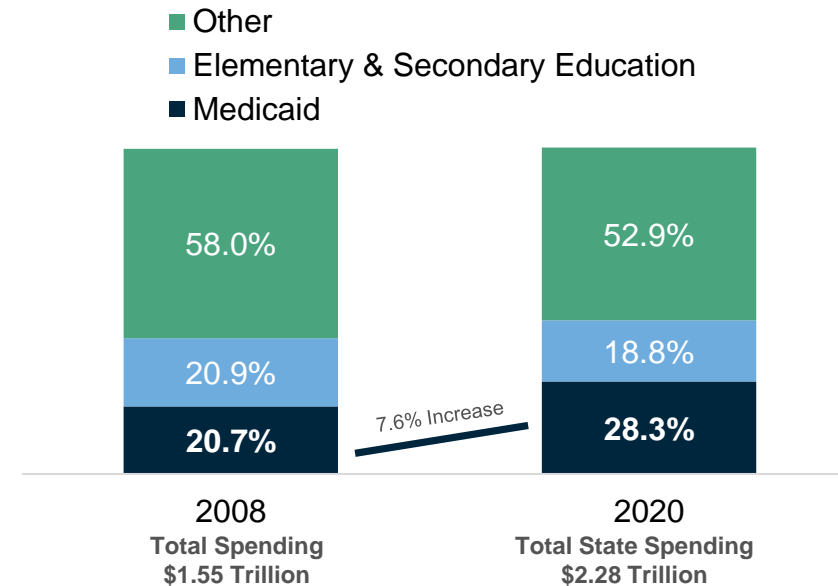
Total Medicaid Expenditure

In billion U.S. dollars



- 400% growth in real dollars (adjusted for inflation) since 1990
- Aging population will accelerate trend lines
- Where will the money come from?

Medicaid's Growing Absorption of State Budgets



- Total state budgets have grown by 33% since 2008
- Medicaid spending has grown even faster outpacing total budget growth by 27%.
- Federal support of Medicaid via a Covid emergency support has ended.

The Long Term Care crisis



Limited Options for stand-alone LTC insurance

- Between 2004 and 2019, companies offering Long-Term Care insurance dwindled from more than 100 to just a handful.¹
- Individual LTC Insurance also requires you to answer medical questions and is subject to future rate increases.

¹ National Association of Insurance Commissioners



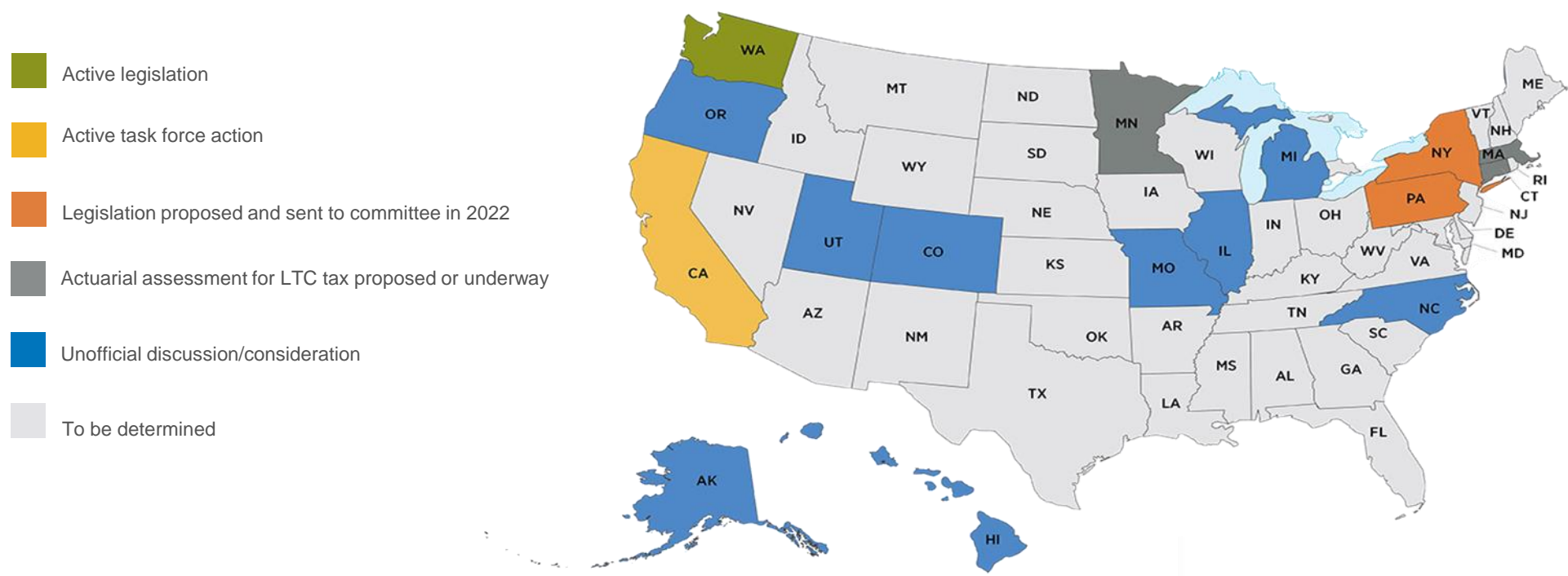
Washington develops a state LTC program

- In 2021, the state of WA signed the LTSS Trust Act into law.
- Benefit is \$100/day for up to 365 days = \$36,500
- Funded by an employee payroll tax that began in July 2023²:
- Life w/LTC considered an acceptable form of private LTC coverage

² WA Cares Fund

States considering LTC options

Current estimates suggest over 50% of state Medicaid budgets are being allocated toward Long-Term Care. Thus, the need for action.



Allstate Whole Life with Long-Term Care



THREE SOLUTIONS in one product

1

Life Insurance
(Death Benefits)



2

Long Term Care Insurance
(Living Benefits)



3

Financial
(Cash Value)



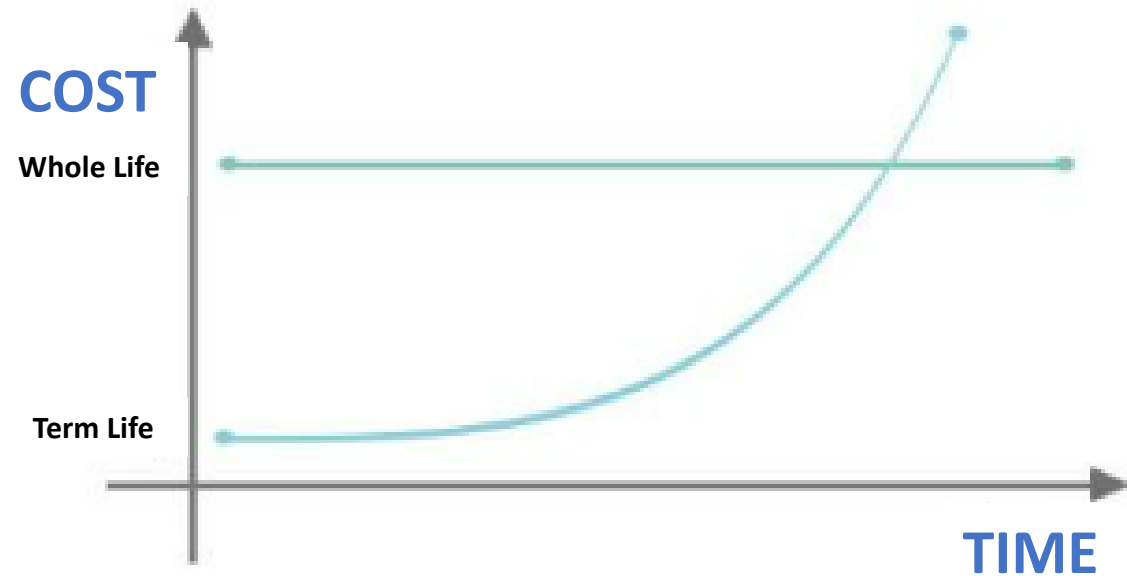
TERM Life









VS.

WHOLE Life

INSURANCE
(RENTING vs. BUYING)

“YOU NEED BOTH”



Term Life	Whole Life
 Low Cost Initially	 Higher Cost Initially
 Cost Goes Up	 Cost Is Level
 No Equity	 Equity
 Coverage Ends	 Coverage Never Ends

WHY ALLSTATE WHOLE LIFE

+ **Guaranteed Rates & Benefits:**

- + As you age, rates are guaranteed never to increase for the life of the policy.
 - + Fully paid-up at 95
- + Death & LTC Benefits are guaranteed never to reduce at any age for the life of the policy

62% of all LTC claims
begin after the **age of 80**
AALTCI

+ **Portable:** You can **keep the policy** at the same benefit and rate if you retire or terminate employment. Premiums will be direct-billed to your home.

+ **Guaranteed Issue:** Up to \$150,000; no medical questions or exams

- + Up to **\$9,000/month of LTC coverage**

The monthly, median cost for
a nursing home =
\$9,733/month; \$116,800/year
Genworth Cost of Care Survey

+ **Family Coverage:** No medical questions for spouse and children

- + \$20,000 for Spouse
- + **\$10,000 Child Term Rider**
 - + **\$4.55/month**
 - + **Convertible to Whole Life policy at age 26 up to \$50,000**

The long-term care benefits

What is the LTC benefit?

- **6% of the face amount of the policy** paid each month
- Payable for **Up to 34 months**
 - Maximum LTC Benefit = 2 x's the Face Value of the Policy
 - **EXAMPLE:** \$100,000 Face Amount = \$200,000 of LTC

What about the death benefit?

- It's **RESTORED** to the original face amount of the policy
- Regardless of the amount of LTC benefits paid
- **Cash values** are restored too!

DID YOU KNOW?

Average Length of an LTC claim = **2.8 years** (**2.2 years** for males)

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76.9% of stand-alone LTC policies sold in 2021 had a **3-year** benefit period or less

Morningstar

43% of LTC claims last **one year** or less

LTCtree.com

67% of LTC claims result in Death

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How do you qualify for the Long Term Care benefit?

- ☐ Must Require Assistance with 2 of 6 Activities of Daily Living for 90 days:



Bathing



Dressing



Eating



Toileting



Continence



Transferring

ADL loss does **NOT** need to be permanent!

- ☐ Or Have Severe Cognitive Impairment

- ☐ AND Receiving Qualified Long-Term Care Services:



Private Home



Adult Day Care



Assisted Living Facility



Nursing Home

Home health care can be provided by a **family member or friend**, and they do not need to work for an LTC provider.

****Premiums are waived while benefits are being paid****

Long Term Care claim examples:



Scenario 1: Policy Face Amount = \$100,000

John is 46 years old and has a stroke.

He requires eight months of home health care and makes a full recovery.

- Long-Term Care Benefits (8 months) = \$48,000 (\$6,000 x 8)

TOTAL Benefits that remain:

- **Future LTC Benefits = \$152,000 (26 months)**
- **Death Benefit = \$100,000**

43% of LTC claims last 1 year or less
LTCtree.com



Scenario 2: Policy Face Amount = \$150,000

Lucy is 85 years old and is admitted to a nursing home. After 3 years in the nursing home, she passes away.

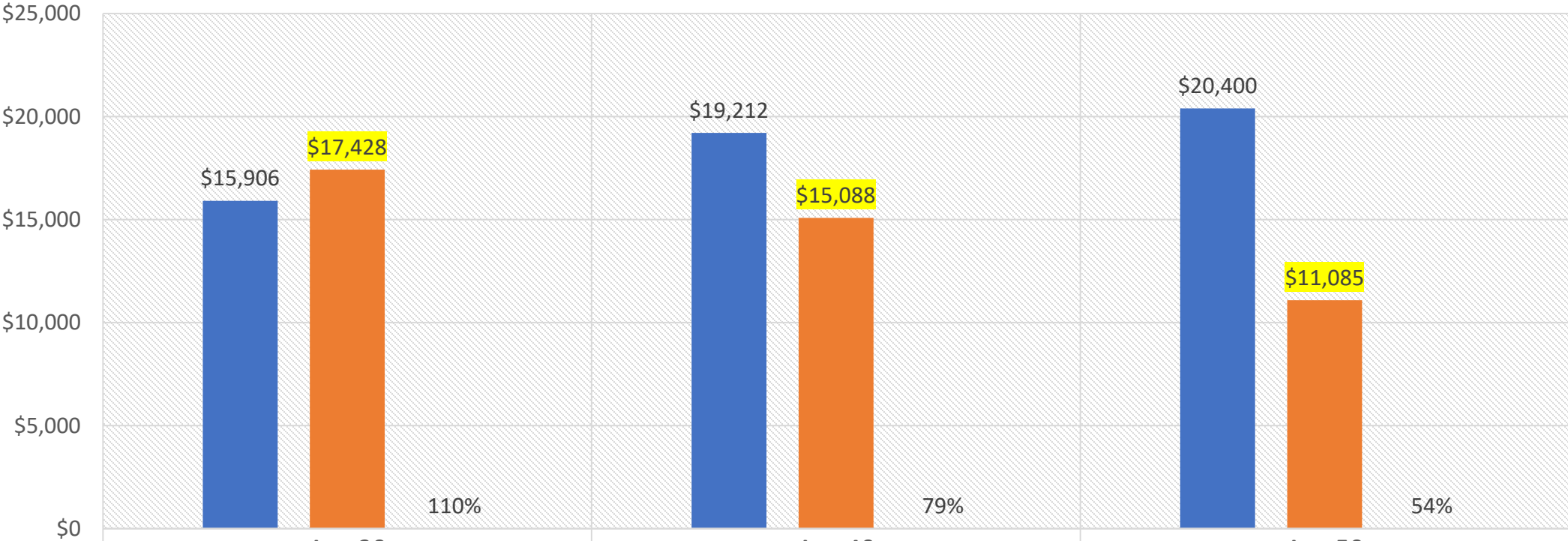
- Long-Term Care Benefits (34 Months) = \$300,000
 - **\$9,000/month**
- Death Benefit = \$150,000
- **Total Benefit = \$450,000**

The monthly, median cost for a nursing home =
\$9,733/month; \$116,800/year
Genworth Cost of Care Survey

FINANCIAL COMPONENT: CASH VALUE

\$50,000 Whole Life Policy (Ages 30, 40 & 50)

Total Premium Paid vs. Guaranteed Cash Value Accumulated (At age 65)



Total Premium Paid to 65	\$15,906	\$19,212	\$20,400
Guaranteed Cash Value	\$17,428	\$15,088	\$11,085
% of Invested Premium	110%	79%	54%

Total Premium Paid to 65 Guaranteed Cash Value % of Invested Premium

Post Enrollment



Employee Welcome Letter

Upon enrollment:

Allstate Benefits will mail out a welcome letter to the insured.

The welcome letter contains the following info:

- 1.) Link to MyBenefits (employee online portal)
- 2.) Overview of elected benefit amount, riders and premium
- 3.) Illustration of cash values, reduced paid-up amounts and loan interest rate

<CERTIFICATE HOLDER NAME>		<DATE>	
<ADDRESS LINE 1>		<ADDRESS LINE 2>	
<ADDRESS LINE 3>		<ADDRESS LINE 4>	
Coverage Type: <Coverage>			
Coverage Number: <Policy or Primary Insured>			
Dear <Name>:			
Products provided by Allstate when you need it most. Benefit pocket costs or keep up with listed on your certificate spec			
To view your certificate, please access. You can register by s required fields.			
When you register with MyBe			
<input type="checkbox"/> Coverage certificate(s) and			
<input type="checkbox"/> Quick and easy claim filing			
<input type="checkbox"/> Mobile friendly access			
<input type="checkbox"/> Self-service functionality			
If applicable and if you haven Benefits coverage. We will ne and telephone number for ea benefits are distributed in acc			
You can download beneficiary customer service portal. Plea form, complete the other field			
If you have any questions or Center at <Phone Number>.			
Thank you for choosing Allstate			
Sincerely,			
Allstate Benefits			
EWELCMAHL-1			

CERTIFICATE SPECIFICATIONS (CONTINUED)			
TABLE OF GUARANTEED VALUES			
End of Year	Cash Value Per \$1,000 of Death Benefit Amount	Reduced Paid-Up Face Amount Per \$1,000 of Death Benefit Amount	Extended Term Insurance Duration
1	\$0.00	\$0	
2	\$0.00	\$0	
3	\$0.56	\$4	
4	\$7.15	\$48	
5	\$13.99	\$90	
6	\$21.13	\$131	
7	\$29.57	\$170	
8	\$36.34	\$208	
9	\$44.44	\$244	
10	\$52.91	\$280	
11	\$61.73	\$314	
12	\$70.92	\$347	
13	\$80.48	\$378	
14	\$90.42	\$409	
15	\$100.74	\$438	
16	\$111.42	\$466	
17	\$122.48	\$493	
18	\$133.87	\$518	
19	\$145.62	\$543	
20	\$157.71	\$566	
21	\$170.18	\$588	
22	\$183.06	\$610	
23	\$196.38	\$630	
24	\$210.15	\$650	
25	\$224.38	\$669	
26	\$239.07	\$687	
27	\$254.19	\$704	
28	\$269.75	\$721	
29	\$285.72	\$737	
30	\$302.12	\$752	
31	\$318.96	\$766	
32	\$336.25	\$780	
33	\$354.00	\$794	
34	\$372.21	\$806	
35	\$390.86	\$819	
36	\$409.93	\$830	
37	\$429.35	\$841	
38	\$449.10	\$852	
39	\$469.11	\$862	
40	\$489.33	\$872	
At age 65	\$302.12	\$752	
At age 70	\$390.86	\$819	
At age 95	\$855.32	\$1,000	
The cash values shown assume all premiums have been made to this certificate, and there is no certificate. Guaranteed Values is based on the 2017 Commission mortality table, age last birthday, 20% male, using an interest rate of 4.50%. The Table of Values reflect any values provided by riders or any other.			
The loan interest rate is 8.00%.			
GWLICIL			

AMERICAN HERITAGE LIFE INSURANCE COMPANY			
1776 American Heritage Life Drive, Jacksonville, Florida 32224			
CERTIFICATE SPECIFICATIONS			
DESCRIPTION OF BENEFITS	BENEFIT AMOUNT	NUMBER OF YEARS PREMIUM PAYABLE	ANNUAL PREMIUM AMOUNT
LIFE INSURANCE		72	\$355.00
ACCELERATED DEATH BENEFIT FOR TERMINAL ILLNESS OR CONDITION RIDER ACCELERATION PERCENTAGE: 75%			
ACCELERATED DEATH BENEFIT FOR LONG TERM CARE WITH RESTORATION OF BENEFITS AND EXTENSION OF BENEFITS RIDER ACCELERATION PERCENTAGE: 6%		72	\$8.50
SEE PAGE 3A FOR ADDITIONAL CERTIFICATE SPECIFICATIONS.			
The effective date and issue age of each benefit is the Certificate Effective Date and Issue Age of this Certificate unless otherwise specified.			
TOTAL PREMIUMS			
The Total Premiums include the charge for any additional benefits.			
MONTHLY Premium: \$30.29			
Premium Payment Method: PAYROLL ALLOTMENT Premium Class: UNI-TOBACCO			
INSURED: [REDACTED] CERTIFICATE NUMBER: [REDACTED]			
CERTIFICATE EFFECTIVE DATE: DECEMBER 31, 2023 ISSUE AGE: F 23			
DEATH BENEFIT AMOUNT: \$50,000.00 MATURITY DATE: DECEMBER 31, 2121			
POLICY NUMBER: [REDACTED]			
BENEFICIARY: AS NAMED AT ENROLLMENT OR AS LATER CHANGED.			
GWLICIL GROUP WHOLE LIFE COVERAGE PAGE 3			

Questions?

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