

LifeSecure Insurance Company

# Long Term Care Insurance

Insurance Solutions for the Worksite



## Why YOU should offer Long Term Care Insurance

**Long term care insurance can be an important and valuable addition to your benefits package.**

Providing the right coverage options to help reduce your employees' exposure to financial risk makes good business sense in today's ever-changing benefits environment. But finding just the right blend of choices can be challenging!



Traditional benefits like healthcare, life insurance and disability insurance are essential components of a strong benefits package – but may not be enough anymore. Employees need a way to protect the assets they've worked so hard to accumulate.

Everyone agrees that planning ahead is important. So, what can you do to **help protect your employees' savings** from unforeseen long term care expenses – which could easily wipe out a retirement nest egg? A long term care insurance policy can provide peace of mind – reducing stress on family members and providing the ability to choose where care is received, if needed – at home, in the community, an assisted living or residential care facility, or a nursing home.

## Advantages for EMPLOYERS

You may be a large employer considering new voluntary benefits to help protect your employees well into retirement. Or, you may be a small business owner looking for ways to reduce your own tax burden while at the same time gaining important additional asset protection. And including long term care (LTC) insurance in your company's benefit package may help attract new talent while helping to retain your key employees.



There are a number of ways to offer LTC insurance– see below to find an approach that would best fit your group's unique situation.

### Employer Participation Options

- **Executives & Key Employees Only:** You may participate in any of the ways described here, giving you flexibility when offering coverage to key employees.
  - Contribute up to 100% of the LTCi premium
  - Contribute a flat dollar amount toward the LTCi premium
  - Offer a defined benefit plan design, where employees can “buy-up” to a richer plan design if they would like more coverage
- **All Employees:** In addition to offering coverage to executives and key employees (as described above), you may also provide other employee classes with the opportunity to apply for coverage, with or without an employer contribution toward premiums.
- **100% Voluntary:** You may provide all employees with the opportunity to apply for coverage on a voluntary (“employee-pay-all”) basis.

# Multi-life Program Qualification Guidelines for Simplified Issue

## Small Groups

- **groups of 3–74 lives** (including executive carve-outs)
- requires employer contribution (minimum \$10 or 10%) toward each employee’s premium

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**Premium Source:** **Employer-paid** <sup>1</sup> (required)

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**Underwriting Standard:** **Simplified Issue** <sup>2</sup>

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**Eligibility and Participation Requirement:** ≥ 3 covered Employees

OR

For Spouses to also qualify for Simplified Issue:

≥ 10 *Employer-paid* Employees and Spouses combined must be covered within initial 90 day offer period

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**Rate Class:** **Multi-life Rates with 5% Employer-contribution Discount**  
(applicable only to individuals receiving Employer contributions) <sup>4</sup>

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Remaining Employee and Spouse population may also apply, but with Full Underwriting. Such applicants will qualify for Multi-life Rates without the Employer-contribution Discount.

<sup>1</sup> For groups with fewer than 75 eligible employees, an employer premium contribution is required. The minimum employer premium contribution is ≥ \$10 per paid employee per month, or at least 10% of premium per paid employee.

<sup>2</sup> Simplified Issue underwriting is available to actively-at-work employees (and employer-paid spouses), up to age 68, applying for a Benefit Bank amount of ≤ \$400,000 during the initial 90 day offer period, or within 90 days of an eligible employee’s date of hire. Applicants who fall outside of these parameters must complete all sections of the Multi-life application (i.e., full underwriting). Actively-at-work is defined as being at one’s usual place of employment for a minimum of 20 hours per week. The actively-at-work requirement does not apply to Spouses; however, the Employee must also apply for the Spouse to be eligible for Simplified Issue underwriting.

**Mid-to-Large Groups**

- **groups of 75+ lives**
- 100 % voluntary (no employer contribution required)

<b>Premium Source:</b>	<b>Employee-paid</b>	<b>Employer-paid (NOT required)</b>
<b>Underwriting Standard:</b>	<b>Simplified Issue <sup>2</sup></b>	<b>Simplified Issue <sup>2</sup></b>
<b>Eligibility and Participation Requirement:</b>	No required minimum participation <sup>3</sup>	No required minimum for Employees only  For Spouses to also qualify for Simplified Issue: ≥ 10 <i>Employer-paid</i> Employees and Spouses combined must be covered within initial 90 day offer period
<b>Rate Class:</b>	<b>Multi-life Rates</b>	<b>Multi-life Rates with 5% Employer-contribution Discount</b> (applicable only to individuals receiving Employer contributions) <sup>4</sup>

Groups with 75 or more employees do *not* require Employer contribution.  
A 100% voluntary setup is allowed.

<sup>3</sup> For groups with ≥ 75 eligible employees, a minimum of 10 submitted applications is required during the initial offer period in order for the group to retain Simplified Issue availability. If 10 or more applications are not submitted, the offer of Simplified Issue underwriting will be removed for new hire Employees on an ongoing basis. However, the original applicants will still qualify for Simplified Issue underwriting.

<sup>4</sup> Employer-contribution Discount not available in Florida.

*Note: Spouses/domestic partners, family members, retirees and retirees' spouses may also be eligible to apply for coverage within a qualified multi-life case. Multi-life Rates will be applicable. These non-employee eligible individuals must complete all sections of the Multi-life application (i.e., full underwriting), with the exception of Employer-paid spouses of employees who may qualify for Simplified Issue as outlined above.*

## What is Simplified Issue?

Simplified Issue is a form of underwriting that uses an abbreviated application with very few health questions. Simplified issue is only offered on a limited time basis during an initial enrollment period, or for new hire employees during a defined timeframe. Employees who apply outside of that timeframe would have to complete a traditional long-form application and be subjected to additional underwriting criteria.



### Why choose LifeSecure's long term care insurance plan?



- Simplified Issue available for:
  - groups or carve-outs with only 3 eligible employees
  - employees & spouses up to age 68 (including non-working spouses)
  - full & part-time employees (20+ hrs/wk)
- 5% employer-contribution discount, if applicable
- On-line group administration for easy account oversight
- On-line application process for your employees, with click-thru technology

## Easy On-line Group Administration – At Your Fingertips

**Looking after your group's insurance needs is important to your business – and to LifeSecure.**

On-line account management is designed to help you better oversee your group's demographic and payroll deduction information. With demands on your time, these services are easy to access, straightforward to use, and available when you need them.



Accessing your group's list bill is organized and easy – using a secure website that you control with a unique user ID and password.

## Tax Advantages for the Business

Tax incentives related to the purchase of long term care insurance (LTCi) are offered by the federal government. You may enjoy one of the tax advantages listed below when paying for long term care insurance premiums.

### C-Corps

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

- Premiums are not included as part of the employee's gross income
- Coverage can be offered to spouses/domestic partners and retirees
- Payroll taxes are not required for premiums paid
- Executive carve-outs may be established to pay all or a portion of the premium for key employees



### S-Corps Partners, More Than 2% Shareholders or Sole Proprietors

- Premiums paid for an owner are included in individual gross income.
- A self-employed health insurance deduction can be taken for tax-qualified LTCi premiums paid. LTCi premiums are considered a medical expense and are subject to the IRS age-based limits, which change annually.

### Health Savings Accounts (HSA)

LTCi premiums can be reimbursed through an HSA – tax-free – up to the IRS age-based limits. This is a way for employees to use pre-tax dollars to pay for LTCi coverage.

### Cafeteria Plan

LTCi premiums cannot be purchased with pre-tax dollars under an employer-provided cafeteria plan. However, LTCi premiums may be paid through an HSA that is offered under an employer-provided cafeteria plan.

*NOTE: LifeSecure and its agents/producers 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. Check applicable state(s) for current tax incentive information.*



## Advantages for EMPLOYEES

### Coverage for Care Provided by Family Members & Friends

LifeSecure's long term care insurance plans include the Flexible Benefit as a standard feature – designed to provide greater flexibility in the types of care, services or products policyholders may receive.



One of the most unique features is payment for informal care that is provided in the home by an immediate family member, friend or other relative – someone who is not a licensed caregiver. The Flexible Benefit can also be used to pay expenses for caregiver training, certain home modifications and care-related products.

### Simple, Straight-forward Plan Design

LifeSecure's unique plan design allows individuals to create plans that are right for their particular situations and budgets. As an employer, you may wish to establish a base plan design for your employees if you are contributing to their premium. Employees may either apply for the base plan design or "buy-up" to a richer plan design with more coverage.

#### Here's how the plan works:

1. Choose a **Benefit Bank** – this represents the total benefit available to help pay for an individual's long term care.
2. Choose a **Monthly Benefit Access Limit** – this represents the amount of money available each month for qualified long term care and services.
3. Select **Optional Benefits** – Automatic Inflation Protection, Lapse Payment Protection, and Money-Back Promise can enhance the insurance plan's value.

*Offering LifeSecure long term care insurance could be a winning decision for you and your employees!*

## More Advantages for EMPLOYEES

### Guaranteed Renewable Coverage

LifeSecure long term care is an individual insurance plan; therefore, the employee is the policyholder and may continue coverage as long as premiums are paid on time – even after their employment with your company comes to an end.



### Payroll Deduction

Employees who are responsible for some or all of their long term care insurance premium make payments via hassle-free payroll deduction. LifeSecure provides a monthly group list-bill to the employer – breaking out the employer-paid versus the employee-paid premium amounts.

### Fully Portable, Guaranteed Renewable Coverage

Employees may continue their coverage as long as premiums are paid on time, even after employment with your company comes to an end – with no additional health questions.

### On-line Application Process

Your group will have access to a secure, easy-to-use on-line application with click thru e-signature technology, allowing convenient self-service for each employee.

### Premium Discounts

Employees with spouses or domestic/legal partners are eligible for 10% or 30% premium discounts. In cases where the employer contributes toward the premium, a 5% Employer-Contribution discount is also applicable.





[www.YourLifeSecure.com](http://www.YourLifeSecure.com)

**Talk to your agent today, call us at 1.866.582.7701, or visit us at [www.YourLifeSecure.com](http://www.YourLifeSecure.com)**

Long term care insurance policies have exclusions and limitations. Terms, availability of benefits, amounts, options, discounts, and application process may vary by state. This is an insurance solicitation. A licensed LifeSecure agent/producer may be contacting you.

LifeSecure Insurance Company – Brighton, MI

Policy Series # LS-0002

Policy Form: In AZ: LS-0002 AZ 07/07; In ID: LS-0002 ID 07/07;  
In OK: LS-0002 OK 07/07; In TN: LS-0002 TN 07/07; In TX: LS-0002 TX 07/07