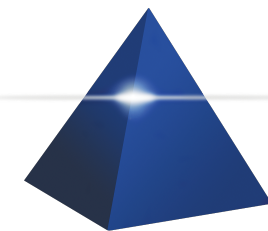


Group Long-Term Care Insurance is Gone, But Not the Need

Why Should Companies Care!

***Guaranteed Issue Life Insurance with
Accelerated Death Benefits for Long-Term Care or Chronic Condition***

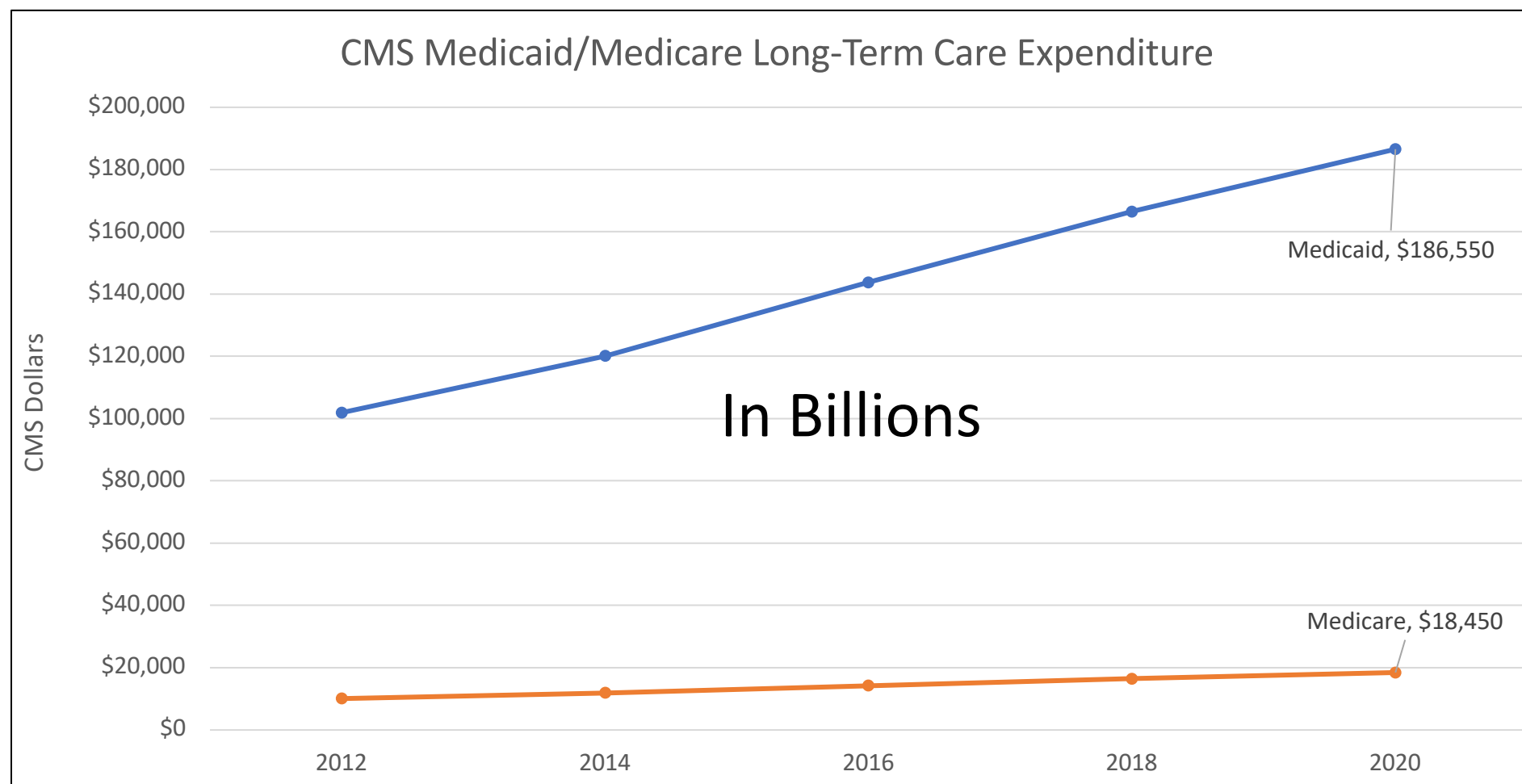


**BILL JUDGE
& ASSOCIATES**

2021 Legislative Action on Addressing the Exploding CMS Long-Term Care Expenditures

But why all the activity now? There are a few core reasons, but mostly that COVID – 19 has really shown a spot light on Long Term Care and LTSS. The vulnerability of the aging population in institutional facilities became tragic front page news. This combined with the increasing demand on budgets, lawmakers are looking for solutions.

- 15 States with Bills
- State Medicaid funds allocated for long-term care being eroded with double digit increases each year due to increased utilization.



Private action is required by employers, unions and citizens to insure against the increasing likelihood of LTC.

Legislative Actions (National and State)

Legislative Action – National

Long-Term Care Affordability Act (S 2415) to expand the use of retirement plan funds to obtain long-term care insurance. : <https://www.congress.gov/bill/117th-congress/senate-bill/2415>

WISH Act (HR 4289) to provide for long-term care insurance benefits under the Social Security Act. WISH stands for Well-Being Insurance for Seniors to be at Home. The benefit would be funded through a payroll tax of 0.3% on employees and 0.3% on employers. <https://www.congress.gov/bill/117th-congress/house-bill/4289>

Legislative Action - Washington State

Delayed to July 2023, all W-2 employees working within the state of Washington will have a long-term care “premium” deducted from payroll.

- Current payroll tax 0.58% based on all W-2 earnings
- No salary cap on W-2 earnings
- Vesting of minimum of 3 years to be temporarily vested
- 10 or more years to be permanently vested
- Once vested, \$36,500 per person per lifetime.

Panic Sets In - Current & Future Cost of Long-Term Care

- State of concern with baby boomer generation utilization on CMS and services
- Consideration and planning needs to start much earlier to keep pace with inflation
- Employer subsidized plans will play a major part for Americans with their LTC planning

Virginia Long-Term Care Average Expenses								
Home Care ^{1,2}			Assisted Living ^{3, 4}			Nursing Home ^{3, 4} (Semi-Private Room)		
2022	2032	2042	2022	2032	2042	2022	2032	2042
\$4,537	\$6,716	\$8,038	\$4,652	\$6,915	\$9,293	\$8,132	\$10,928	\$14,687

¹ Based on annual rate divided by 12 months (assumes 44 hours per week)

² Based on 4% annual Home Health Care inflation rate

³ Based on annual rate divided by 12 months

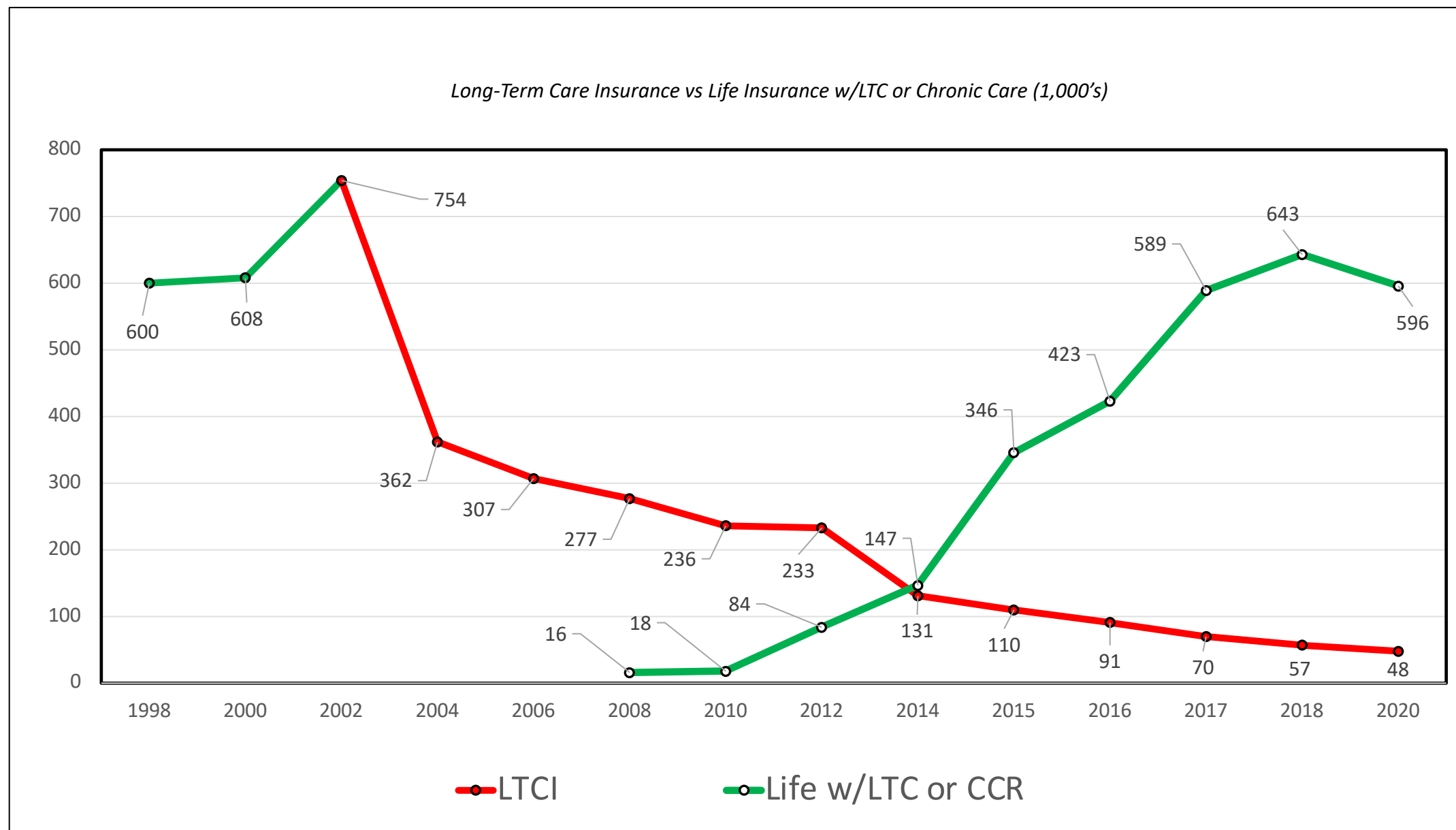
⁴ Based on 3% annual Assisted Living and Nursing Home inflation rate

Source: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

Group Hybrid Life Insurance (Dual Purpose)

Why the shift?

- No use it or lose it benefit. One or both benefits will be used.
- Employers that contribute/subsidize have fixed costs.
- No claim related premium increases for employers.
- Existing coverage waivers could reduce/eliminate Federal/State Program employer tax.

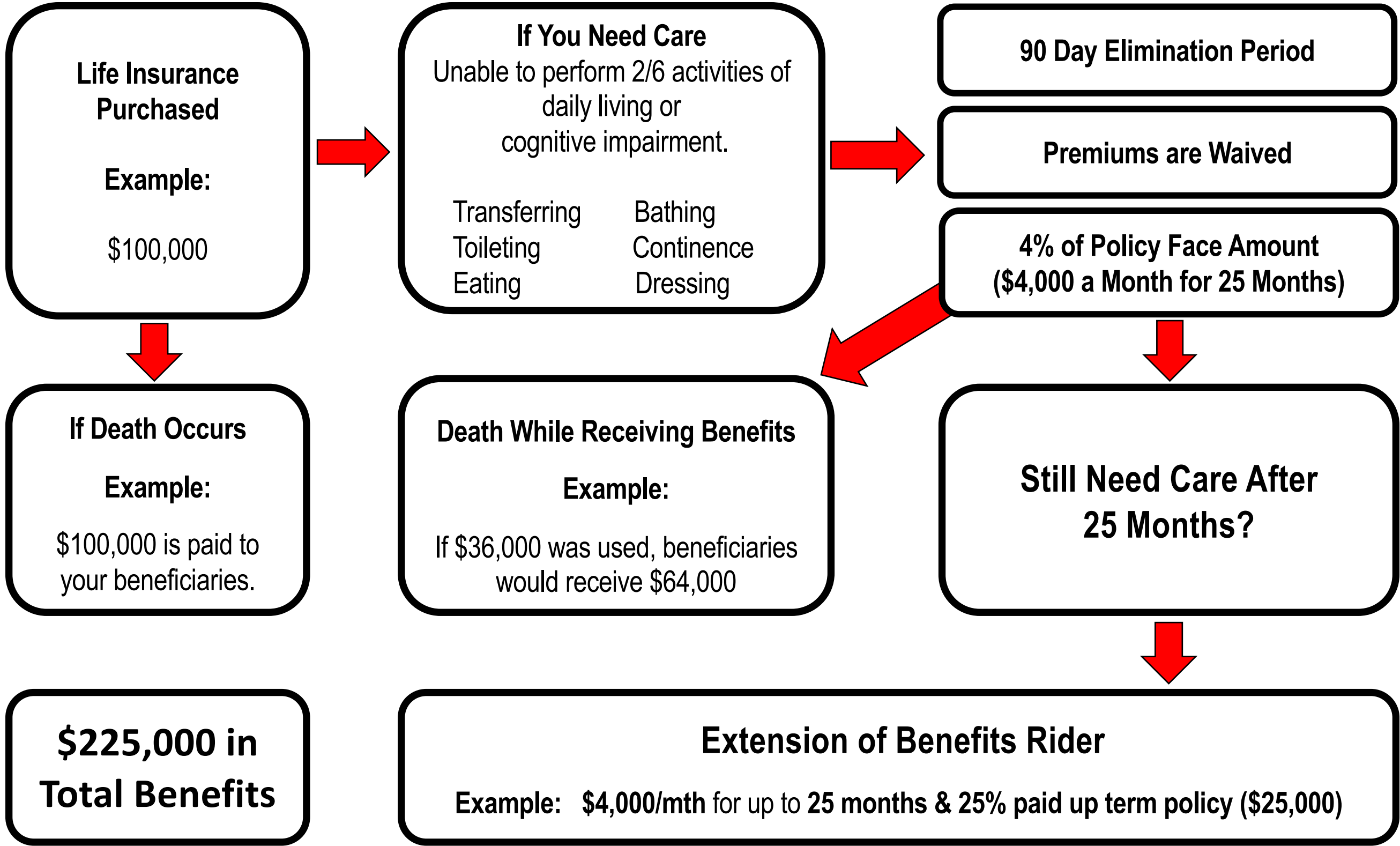


Source: NAIC, AHIP

Group Life Insurance with LTC or CC Riders w/Extension of Benefits Reporting-Chubb, Transamerica Life & Trustmark (2015-2019)

No data available: Allstate, Colonial Life, Texas Life, UNUM,

Sample Benefits Flowchart: How does this policy work?



Consultant and Enrollment Firm



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- Certified Long-Term Care Designation
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