Bryn Mawr College Group Long Term Care Insurance Program

Employee Presentation

Underwritten by Genworth Life Insurance Company.

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Today’s Topics

An Introduction to Long Term Care (LTC) and Long Term Care Insurance (LTCI)

The Three Key Decisions

Additional Benefits & Eligibility

Summary & Next Steps
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 keep your options open about how you receive care.

- **Stay At Home**
  Helps reimburse expenses to make home modifications and receive home care where you’re most comfortable.
Myths & Realities

“It won’t happen to me.”

“My insurance will cover me.”

“The government will pay for the care I need.”

“I can pay for this out of my savings.”

7 in 10 people who reach age 65 will need long term care during their lives

Neither disability nor health insurance are designed to cover long term care expenses

Medicare & Medicaid benefits are very limited and you may not qualify

It can take years to accumulate an amount equal to the insurance coverage you could have today
Can You Pay For LTC Out Of Your Savings?

Example: A 45-year old invests $40.72 per month @ 5% to age 80

This monthly investment is equal to premiums for a 45-year old with a plan design of $3,000 Monthly Benefit, $108,000 Total Coverage and the None Benefit Increase Option. Additional options are available at different costs.

You may not be able to save enough to pay for the care you need.
More Myths & Realities

“I can rely on my family & friends.”

“Long term care insurance is too expensive.”

Caregiving is difficult and requires significant physical and emotional commitment

You can customize a plan to fit your needs and your budget
Long Term Care Insurance May Be More Affordable Than You Think

**Premiums vary by age**

Coverage for a 45-year old under this program can be as low as **$41.00** per month.

<table>
<thead>
<tr>
<th>Purchase Age</th>
<th>Cost Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 50</td>
<td>$50.94</td>
</tr>
<tr>
<td>Age 55</td>
<td>$68.73</td>
</tr>
<tr>
<td>Age 60</td>
<td>$101.02</td>
</tr>
<tr>
<td>Age 65</td>
<td>$162.46</td>
</tr>
</tbody>
</table>

This displays example premiums for an plan design of **$3,000** Monthly Benefit, **$108,000** Total Coverage and the **None** Benefit Increase Option at a variety of ages. Actual premiums depend on the age, plan design, rates and options selected.
How Do You Qualify For Benefits?

If you need help with at least 2 of the 6 Activities of Daily Living (ADLs), and help is expected to last at least 90 days.

A severe cognitive impairment that requires substantial supervision also makes you eligible to qualify.

Need For Care May Arise From:
- Injuries caused by accidents
- Illnesses like MS
- Diseases like Alzheimer's or Parkinson’s
- Strokes or other chronic conditions

LTCI can help reimburse the cost of LTC services that help people perform everyday activities
How Does Long Term Care Insurance Work?

A “Pool of Money”

LTCl 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 & 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
The Three Key Decisions

Basic Choices to Customize Your Plan

The examples that follow reflect plan design options and premiums available to your group. Your actual premiums will depend on your age and the plan design you choose. Examples assume no premium increases occur.

All cost of care information shown is based on Genworth’s 2014 Cost of Care Survey, conducted by CareScout® 4/2014.
Three Key Decisions

1. Monthly Benefit Amount
   - $1,500
   - $3,000
   - $4,500
   - $6,000

2. 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

3. Benefit Increase Option
   - None
   - Automatic 3% Increase for Life - Compound
   - Automatic 5% Increase for Life - Compound

Select a Monthly Benefit Amount
Select a Total Coverage Maximum
Select a Benefit Increase Option
Three Key Decisions

1. **Monthly Benefit Amount**
   - $1,500
   - $3,000
   - $4,500
   - $6,000

2. **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

3. **Benefit Increase Option**
   - None
   - Automatic 3% Increase for Life - Compound
   - Automatic 5% Increase for Life - Compound

Cover the **Monthly cost of care** in your area
- 100% for nursing home & assisted living
- 100% for home & community care

LEARN MORE • GET A QUOTE • APPLY ONLINE
www.genworth.com/groupltc  Group ID: brynmawr  Code: groupltc
Step 1: Choose a Monthly Benefit
Select a Monthly Benefit to cover the Monthly cost of care in your area

Annual Cost of Care
Private Nursing Home Median Annual Rate

- **Oregon**: $96,725
- **California**: $104,025
- **Arizona**: $84,957
- **Pennsylvania**: $107,493
- **New York**: $130,670
- **Illinois**: $74,643
- **North Carolina**: $82,125
- **Florida**: $91,615
- **Texas**: $65,700

- **Low**: (up to $5,500/mo)
- **Average**: ($5,500-$6,700/mo)
- **High**: (over $6,700)

www.genworth.com/groupltc  Group ID: brynmawr  Code: groupltc
Step 1: Choose a Monthly Benefit
Select a Monthly Benefit to cover the Monthly cost of care in your area

Pennsylvania - State Median: Monthly Care Costs in 2014

Choose location: Pennsylvania - State Median

Choose the cost breakdown:

- **Home Care**
  - Homemaker Services: $3,813
  - Home Health Aide: $3,813

- **Adult Day Health Care**
  - Adult Day Health Care: $1,265

- **Assisted Living Facility**
  - Private, One Bedroom: $3,280

- **Nursing Home**
  - Semi-Private Room: $8,266
  - Private Room: $8,958

Calculate Future Costs
Compare Costs by Location

1 Based on annual rate divided by 12 months
2 As reported
Three Key Decisions

1. **Monthly Benefit Amount**
   - $1,500, $3,000, $4,500, $6,000

2. **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

3. **Benefit Increase Option**
   - None
   - Automatic 3% Increase for Life - Compound
   - Automatic 5% Increase for Life - Compound

Cover the **Monthly cost of care** in your area
- 100% for nursing home & assisted living
- 100% for home & community care

Have enough coverage to last ~3 years
**Step 2: Choose Your Total Coverage**

Select a Total Coverage Maximum that will cover ~3 years of care.

<table>
<thead>
<tr>
<th></th>
<th>Cost for 1 Year of Care</th>
<th># Years Most People Need Care</th>
<th>Target Total Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assisted Living Facility</strong></td>
<td>$39,360</td>
<td></td>
<td>$118,080</td>
</tr>
<tr>
<td>(A private room)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Home Health Care</strong></td>
<td>$45,760</td>
<td>x3</td>
<td>$137,280</td>
</tr>
<tr>
<td>(44 hours with a licensed home health aide @ $20.00 per hour)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nursing Home</strong></td>
<td>$107,493</td>
<td></td>
<td>$322,479</td>
</tr>
<tr>
<td>(A private room)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Genworth’s claims data shows that of all claims lasting longer than one year, most claims end within 3 years.
### Three Key Decisions

**1. Monthly Benefit Amount**
- $1,500
- $3,000
- $4,500
- $6,000

**2. Total Coverage Maximum**
- $36,000
- $72,000
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- $162,000
- $216,000
- $72,000
- $144,000
- $216,000
- $288,000

**3. Benefit Increase Option**
- None
- Automatic 3% Increase for Life - Compound
- Automatic 5% Increase for Life - Compound

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**Cover the Monthly cost of care in your area**
- 100% for nursing home & assisted living
- 100% for home & community care

**Have enough coverage to last ~3 years**

**Keep up with the cost of care in the future**
Step 3: Choose A Benefit Increase Option
Select an option to help your coverage keep up with inflation

Projected cost for 3 years of care for a 45-year old
Assumes cost of care increases by 5% until age 80

- Assisted Living Facility
- Home Health Care (44 hours/week)
- Nursing Facility

Assisted Living Facility: 200,000
Home Health Care: 400,000
Nursing Facility: 1,800,000

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www.genworth.com/groupltc  Group ID: brynmawr Code: groupltc
Step 3: Choose A Benefit Increase Option
Select an option to help your coverage keep up with inflation

- **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 None at issue.

- **None**
  The lowest cost, but benefits do not increase over time and will not keep up with the costs of long term care.
Step 3: Choose A Benefit Increase Option

Select an option to help your coverage keep up with inflation

Estimated Monthly Benefit & Total Coverage Growth

Demonstrates coverage growth for a 45-year old with different benefit increase options over a 35 year period.

BEGIN WITH:

$3,000 Monthly Benefit
$108,000 Total Coverage

GROWS TO:

$16,548 Monthly Benefit
$595,730 Total Coverage

$8,442 Monthly Benefit
$303,897 Total Coverage

$3,000 Monthly Benefit
$108,000 Total Coverage

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www.genworth.com/grouplife Group ID: brynmawr Code: grouplife
Three Key Decisions: Rob’s Example

1. Monthly Benefit Amount

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

2. 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

3. Benefit Increase Option

- None
- Automatic 3% Increase for Life - Compound
- Automatic 5% Increase for Life - Compound

Rob’s Plan Design

- ✔

This might be for you if...

- You want an affordable option to receive some coverage instead of none
- You’re concerned about funding future needs such as a college education or retirement

Monthly Premium for a 45-year old

- $36.30

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www.genworth.com/groupltc Group ID: brynmawr Code: groupltc
Three Key Decisions: Ellen’s Example

1. Monthly Benefit Amount
   - $1,500
   - $3,000
   - $4,500
   - $6,000

2. 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

3. Benefit Increase Option
   - None
   - Automatic 3% Increase for Life - Compound
   - Automatic 5% Increase for Life - Compound

Ellen’s Plan Design

This might be for you if...

- You want to cover typical LTC needs
- You want a good balance between coverage level and affordability

Monthly Premium for a 45-year old

$97.50

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Three Key Decisions: Tyson’s Example

1. Monthly Benefit Amount
   - $1,500
   - $3,000
   - $4,500
   - $6,000

2. 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

3. Benefit Increase Option
   - None
   - Automatic 3% Increase for Life - Compound
   - Automatic 5% Increase for Life - Compound

Tyson’s Plan Design

This might be for you if...
- You want extensive coverage to cover most LTC scenarios you could reasonably encounter
- You believe your family history might increase your chances of experiencing an LTC need

Monthly Premium for a 45-year old

$373.72
Additional Benefits Included in Your Plan

Waiver of Premium
Waives premiums if you are receiving care in a nursing facility or at home. It also waives premiums while bed reservation & hospice benefits are being paid.

Bed Reservation
Reimburses charges to reserve your accommodations in a nursing or assisted living facility while you are away for any reason.

Hospice Care
Reimburses charges up to the applicable Monthly Benefit.

Respite Care
Reimburses charges up to the applicable Monthly Benefit to give an unpaid caregiver short term relief.

Home Assistance
Reimburses up to 3 times the Monthly Benefit Amount for home modifications, support equipment and caregiver training.

These benefits are included at no additional cost
Additional Benefits Included in Your Plan

Informal Care
Reimburses cost of services provided by a friend or family member

International Coverage
Coverage is provided for qualified nursing home care you receive in other countries. Your covered expenses will be reimbursed up to 75% of your Monthly Benefit for up to 4 years

These benefits are included at no additional cost
Additional Benefits You May Select

Nonforfeiture Benefit

• Provides reduced coverage in event of lapse for any reason

• Requires coverage in force for at least three years

• Available for additional 12% premium
Who is Eligible to Apply?

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

- Actively at work, full-time employees
- Retirees and retirees’ spouses or domestic partners under age 76
- Employee’s spouse or domestic partners under age 76
- Employee’s Parents and Parents-in-law under age 76
- Employee’s Grandparents and Grandparents-in-law under age 76
- Employee’s or spouse’s Adult Children and Siblings under age 76
Why Act Now?

If you postpone the decision to buy...

- You may not qualify due to future health issues.
- Your premiums will be established at your older age & higher rate.

If you postpone the decision to buy...

<table>
<thead>
<tr>
<th>Wait Time</th>
<th>Premium Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy Today (Age 45)</td>
<td>$36</td>
</tr>
<tr>
<td>Wait 10 Years</td>
<td>$61</td>
</tr>
<tr>
<td>Wait 20 Years</td>
<td>$134</td>
</tr>
<tr>
<td>Wait 30 Years</td>
<td>$335</td>
</tr>
</tbody>
</table>

**EXAMPLE BASED ON**

$3,000 Monthly Benefit  
$72,000 Total Coverage  
None Benefit Increase

This example is case specific and presents one of the plan designs available. Additional options are available at different costs.
Key Advantages of This Program

• Spouses and other family members 18-75 can also apply with these customized group rates

• A 30-day free look is available

• Care coordination and other additional benefits are included at no additional cost

• Coverage is portable - you can take it with you if you leave your job or retire

• Your employer has pre-screened and supports this Program

• Flexible choices to match your needs and your budget

• Easy enrollment by web or paper

Available Billing Options

• Direct bill on quarterly or semi-annual basis or monthly electronic funds transfer
About Genworth Life

Industry Leading Experience*

40+ Years of Claims Experience
Providing Unparalleled Claims Service
Alzheimer’s Association
Annual Cost of Care Survey

Genworth is at their best when you need them most

* LTCI Market at a Glance: [2012], LIMRA International.
Long Term Care Insurance Partnerships

The Pennsylvania 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, 3% Compound Automatic Benefit Increases for Life Benefit Increase Option
  - If you are 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.
This information is current as of 01/01/2012
Three Key Decisions

1. Monthly Benefit Amount
2. Total Coverage Maximum
3. Benefit Increase Option
Next Steps

Take advantage of this benefit. Review your coverage options now:

Apply Online

www.genworth.com/groupltc

Call Customer Service

1 800.416.3624

Group Name: brynmawr
Code: groupltc

Talk to your spouse, parents, parents-in-law, and grandparents about this program. They are also eligible to apply up to age 75.
Details You Should Know

• Rates are designed and priced for long term stability—however they could increase
• There is an elimination or waiting period.

• Care not covered includes:
  – Care for which no charge is made in the absence of insurance
  – Care outside US except as covered by the international benefit
  – Care by immediate family member except as covered by the informal care benefit
  – Care by Veterans Administration or other government facility
  – Care by a Worker’s Compensation or occupational disease act or law
  – Care resulting from war or act of war, suicide or self inflicted injury, participation in a riot or felony, service in the armed forces, alcoholism or drug addiction
  – Care or confinement that is the result of a pre-existing condition when such care or confinement begins within twelve months following your certificate date.

• Non-Duplication of Benefits. We will reimburse only for covered expenses that exceed the amounts payable under:
  – Medicare (including amounts reimbursable in the absence of a deductible or coinsurance amount)
  – Any federal or state worker’s compensation, employer’s liability, or occupational disease law
  – Any other federal, state or government health care or long term care program or law, except Medicaid.

• Coordination of Benefits:
  This program coordinates its benefits with all other group long term care insurance coverage that you have.
Additional Disclosures

• This insurance program is underwritten by Genworth Life Insurance Company.

• Coverage is provided under group policy 15158 issued to Bryn Mawr College using policy form 7053-POL/series 7053. Form numbers can vary by state, including a state specific variation. For example, in Virginia, the certificate form number may read 7046CERT-VA.

• Coverage is intended to be tax qualified under IRS code 7702(B).

• State variations may apply. Refer to your outline of coverage for specific definitions, benefits, features, exclusions and limitations.

• This material is part of a solicitation for Group Long Term Care insurance.