



# Long Term Care Insurance Solutions for the Worksite



LifeSecure is a trademark of LifeSecure Insurance Company, 10559 Citation Drive, Suite 300, Brighton, MI 48116. Our long term care insurance product is individually underwritten by LifeSecure Insurance Company and may require a medical exam. Availability of benefits, amounts, options and discounts may vary by state. Only the insurance policy can give actual coverage amounts, terms, conditions, limitations and exclusions. Refer also to the Outline of Coverage. Premiums may increase. There is a 65 day grace period for premium payments. This is an insurance solicitation and sales presentation. An agent may contact you.

**LifeSecure Insurance Company - Brighton, MI**

ICC13-LS-LTC-0302

LS-LTC-0302 ST 01/13

Policy Form: ICC13-LS-LTC-0004 & ICC13-LS-LTC-0005

LS-LTC-0004 ST 01/13 and LS-LTC-0005 ST 01/13

# About LifeSecure

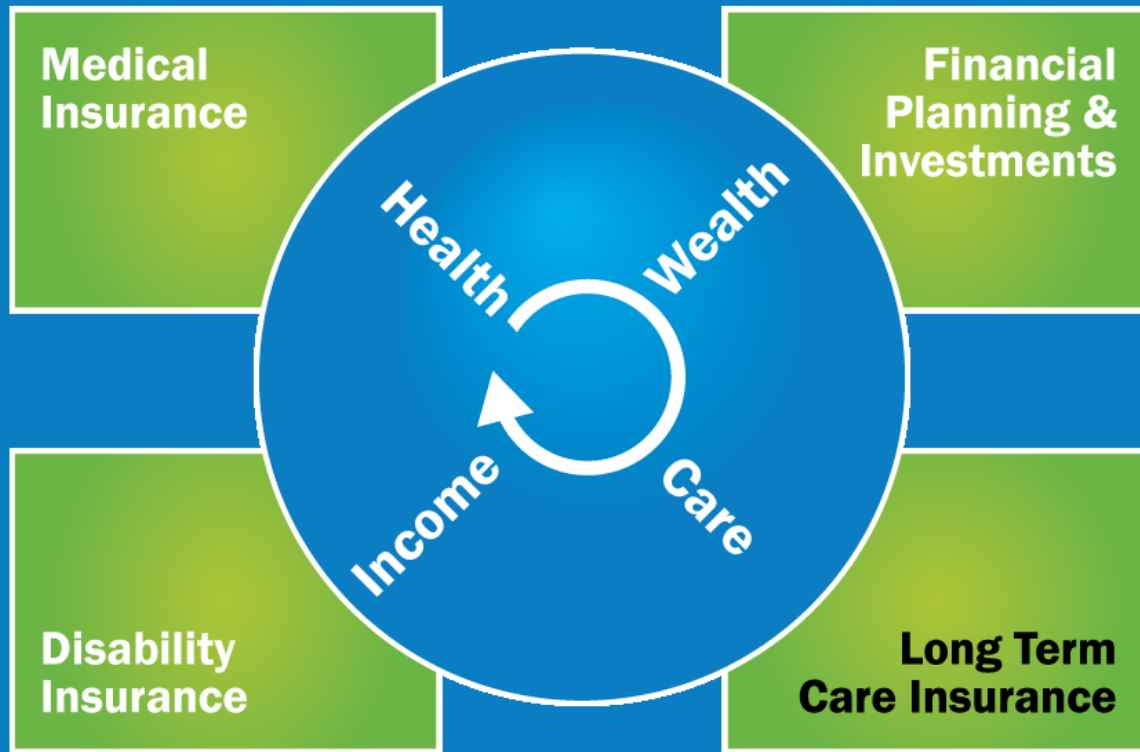
- Founded in 2006
- Offering long term care insurance (LTCi) and other supplemental health insurance products
- Licensed in 46 states + District of Columbia (DC)
  - LTC available in 43 states + DC

# Why Offer LTC Insurance

- Long Term Care is no longer an ancillary product
- Benefit to help employees protect their savings and retirement
- Help employees and their families with caregiving
- Attract new talent and retain key employees
- Potential tax advantages for the employer and policyholders

# Where LTC Insurance Fits In

## Personal Financial Plan



# Multi-Life LTC Not “Group” Insurance

- All policies are individually owned with multi-life rates
- Premium discounts available
  - Employer Contribution Discount – available with *Employee Solutions*
  - Spouse Discount\*
- Individual policy (portable)
- Potential tax deductions for employer paid premium contributions
- Additional family members may be eligible for coverage

\* *The definition of spouse includes: domestic partners (in DC = legal partner; in HI = reciprocal beneficiary; in MT = cohabitant)*

# Simplified Issue Underwriting

- For qualifying multi-life cases only
- Allows employees to apply for coverage with fewer health questions
- Only available one time during an initial enrollment period – typically between 30-90 days
- May be extended to new hires

*Spouses may also be eligible for Simplified Issue Underwriting in certain situations.*

# Ways to Participate

## For Executives & Key Employees

- A defined benefit plan design
- Employer contribution, up to 100% of the LTCi premium
- Employer contribution of a specific dollar amount towards the LTCi premium\*

## For All Employees

- If offering a carve-out, offer LTCi to other classes as well (with or without employer contribution)
- OR**
- 100% Voluntary employee-pay-all basis\*

\* Only available with the *Employee Solutions* multi-life program

# Actively-at-Work Definition

Actively-at-work on a full-time basis means that he/she:

- is a W-2 employee (i.e., not a contractor), receiving a regular wage or salary, or a K-1 business owner with at least 20% ownership, and
- is regularly scheduled to work 20 or more hours per week,  
&
- was working at his/her usual place of employment on the last regularly scheduled work day before signing the application, and
- has not been absent from work due to illness or injury for more than 5 days during the 30 days prior to signing the application or during the time he/she has been employed by his/her employer, if less than 30 days.



LifeSecure OM<sup>II</sup>  
Defined Advantage LTC Program

# LifeSecure OM<sup>II</sup> Defined Advantage LTC Program

## Minimum Participation Requirement

- Three eligible W-2 employees, K-1 business owners and/or board members meeting the employer contribution requirement; and a minimum of five approved applications (inclusive of spouses)

## Employer Contribution Requirement

- 100% of premium or defined plan design is required

*NOTE: A voluntary offering to your remaining employees is not available with this program; however, they may be eligible to apply with an individual application outside of the LifeSecure OM<sup>II</sup> Defined Advantage LTC Program.*

# Defined Advantage – Individual Eligibility for Simplified Issue

- Ages 18 through 65
- Must apply for the Benefit Bank and Monthly Benefit established by the Employer, with a maximum Benefit Bank of \$300,000 (or  $\leq$  \$200,000 if choosing the Shared Care Benefit Rider).
- W-2 Employees, K-1 Business Owners, and/or Board Members receiving Employer Contribution and who are actively-at-work on a full-time basis  
OR
- Spouse who is actively-at-work on a full-time basis and whose related W-2 Employee, K-1 Business Owner, or Board Member also applies for coverage.

## NOTES

- *Applicants may be able to apply outside of these guidelines if completing all sections of the application.*
- *Applicants are not able to apply for a Benefit Bank or Monthly Benefit that is less than the established amount.*

LifeSecure OM<sup>II</sup>  
Employee Solutions LTC Program

# LifeSecure OM<sup>II</sup> Employee Solutions LTC Program

## Minimum Participation Requirement

### Businesses with **10–499** eligible employees\*

- Minimum of **10** submitted applications (inclusive of spouses)

### Businesses with **500** or more eligible employees\*

- Minimum of **25** submitted applications (inclusive of spouses)

\* *Eligible employees = W-2 Employees, K-1 Business Owners, and/or Board Members*

# LifeSecure OM<sup>II</sup> Employee Solutions LTC Program

## Employer Contribution Requirement

- $\geq$  \$25 per month or  $\geq$  25% of monthly premium, or 100% of a defined plan design
- Businesses with 10–74 eligible employees\*
  - employer contribution required for simplified issue underwriting
  - voluntary offering available without employer contribution for full underwriting
- Businesses with 75 or more eligible employees – (employer contribution not required) Offering may be made on a voluntary basis

## Employer Contribution Discount

- 5% discount, applicable only to individuals receiving the required employer contribution

\* *Eligible employees = W-2 Employees, K-1 Business Owners, and/or Board Members.*

# Employee Solutions – Individual Eligibility for Simplified Issue

- Ages 18 through 65
- Benefit Bank up to \$400,000 (or \$300,000 if choosing the Shared Care Benefit Rider)

## 10 – 74 Eligible Employees

- Eligible employees receiving Employer Contribution and who are actively-at-work on a full-time basis

**OR**

- Spouse who is actively-at-work on a full-time basis and whose related eligible employee is receiving Employer Contribution and also applies for coverage

## 75+ Eligible Employees

- Eligible employee who is actively-at-work on a full-time basis\*


**OR**

- Spouse who is actively-at-work on a full-time basis and whose related eligible employee also applies for coverage

*NOTE: Employees = W-2 Employees, K-1 Business Owners, and/or Board Members*

# On-line Administration

- Easy account access
  - Electronic list bills
  - Separation of employer-paid vs. payroll deducted premiums by payroll frequency



SAMPLE

If there are any changes or interruptions to employee deduction amounts, please include the name and reason for interruption on the list bill and remit along with your check to the below address.

**LifeSecure Insurance Company**  
 16234 Collections Center Drive  
 Chicago, IL 60693

Should you have any questions or need further assistance, please contact us at [lstbills@yourlifesecond.com](mailto:lstbills@yourlifesecond.com) or 810-270-4697.

Prompt payment within 15 days of the close of the Billing Cycle is expected and appreciated.

Note:  
 \* Includes employees and spouses  
 \*\* Includes employees, spouses and dependents if applicable

| Client Summary:           |                               | Monthly Summary:                       |                 |
|---------------------------|-------------------------------|--|-----------------|
| Group Number              | 1001E                         | Monthly Employee Deduction **          | \$616.98        |
| Group Name                | Employer Contrib (Percentage) | Monthly Employer Contribution          | \$82.27         |
| Billing Cycle             | 12/01/2012 - 12/31/2012       | <b>Monthly Total (Pay this Amount)</b> | <b>\$699.25</b> |
| Number Of Policyholders * | 4                             |  |                 |
| Number Of Employees       | 3                             |  |                 |

Summary By: Product

| Product        | Monthly Employee Deduction ** | Monthly Employer Contribution |
|----------------|-------------------------------|-------------------------------|
| Long Term Care | \$616.98                      | \$82.27                       |

| Employee Name           | Spouse Name | SSN         | Payroll Frequency | Employee Per Payroll Deduction | Spouse Per Payroll Deduction | Total Per Payroll Deduction | Employer Monthly Contribution |
|-------------------------|-------------|-------------|-------------------|--------------------------------|------------------------------|-----------------------------|-------------------------------|
| TESTA, CS               |             | ***-**-5003 | Bi-Weekly         | \$16.11                        | \$0.00                       | \$16.11                     | \$10.05                       |
| TESTA, CS               | Test8, CS   | ***-**-8003 | Bi-Weekly         | \$0.00                         | \$289.38                     | \$289.38                    | \$70.34                       |
| LIFESECURE1, TESTAPP2EE |             | ***-**-4541 | Bi-Weekly         | \$3.00                         | \$0.00                       | \$3.00                      | \$1.88                        |



# Health Savings Accounts (HSA)

| Age Before End of 2016            | Maximum Deduction per Individual | Maximum Deduction per Couple |
|-----------------------------------|----------------------------------|------------------------------|
| 40 or less                        | \$390                            | \$780                        |
| More than 40 but not more than 50 | \$730                            | \$1,460                      |
| More than 50 but not more than 60 | \$1,460                          | \$2,920                      |
| More than 60 but not more than 70 | \$3,900                          | \$7,800                      |
| More than 70                      | \$4,870                          | \$9,740                      |

Source: IRS Revenue Procedure 2015-53 (2016 Limits)

LTC insurance premiums can be reimbursed through an HSA up to age-based limits.

*LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of LTC insurance premiums.*

# Tax Advantages for LTC Insurance Premiums

## C-Corps

- 100% deductible as business expense
- Not included as part of the employee's gross income
- Coverage can be offered to spouses/retirees
- Payroll taxes not required

## S-Corps partners, more than 2% shareholders or sole proprietors

- Premium paid for an owner is included in individual gross income
- A self-employed health insurance deduction can be taken for LTC insurance premiums paid (subject to the IRS age-based limits)

*LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of LTC insurance premiums.*

# Next Steps

- Decide on your offering (carve-out, voluntary, combo)
- Determine your enrollment period
- Establish your communication plan
  - Approved marketing pieces
    - Emails, flyers, posters, payroll stuffers
  - Educational workshops or webinars
- Provide the following
  - Employer Multi-life Offering Agreement
  - Company contact information and location
  - Company logo for marketing materials



Thank You

Questions?

[Contact Information]

**LifeSecure Insurance Company – Brighton, MI**