



*Let's talk life.*  
The Benefits of Long-Term Care

Universal Life and Universal LifeEvents® Insurance Q & A

***Trustmark***  
INSURANCE COMPANY  
PERSONAL. FLEXIBLE. TRUSTED.



# Every life has a story.

## Q & A for Universal Life and Universal LifeEvents® Insurance

Life insurance coverage through Trustmark Insurance Company, provides employees and their families with permanent protection, when they need it the most. To learn more about Universal Life, Universal LifeEvents and the benefits of long-term care, please read through the questions below. We've also included a section that can help you ask key questions of each employee to illustrate the need for life insurance. Additionally, there's a Common Objections section to help you address any challenges raised by the participants.

Universal Life and Universal LifeEvents insurance help employees live their story, their own way — even when unexpected events in life interfere.

## Policy Information

### 1. What is Universal Life and Universal LifeEvents Insurance?

Life insurance through Trustmark Insurance Company is permanent coverage to help shield employees and their families from financial hardship if they, or their spouse, are suddenly out of the picture.

- Universal Life offers a flexible death benefit that accumulates cash value and offers a comprehensive living benefits package.
- Universal LifeEvents offers a higher death benefit during working years when financial needs are higher. When the insured reaches age 70 (or reaches the fifteenth policy year, if later), and financial needs are lower, the death benefit is reduced. At the same time, the living benefits continue at the full original level so the insured will have maximum protection when he or she is more likely to need long-term care.

### 2. What is the need for life insurance?

The main reason people get life insurance, is for the death benefit. It helps pay for funeral costs and other expenses such as paying for college, rent, mortgage or other household expenditures. However, Universal Life and Universal LifeEvents insurance offer much more than that. They provide living benefits while accumulating cash value. (Refer to number 5 to learn more about living benefits.)

### 3. Does group life insurance or other company benefits affect the purchase of Universal Life or Universal LifeEvents insurance?

No. The policy is intended to be an add-on, not a replacement, for current group insurance by providing permanent insurance coverage, which accumulates cash value that can be used at any time.

### 4. How does the process work?

Employees select an amount for their policy (anywhere from \$5,000 to \$300,000), and decide if they want individual coverage or additional coverage

for their spouse, children or grandchildren. Premiums are paid through payroll deduction. Benefits are paid as a death benefit, living benefit for long-term care or as a combination of both.

### 5. What are living benefits for long-term care?

This includes a long-term care benefit, which accelerates the death benefit 4 percent per month for up to 25 months and supplements the cost of assisted living, home healthcare, adult day care and nursing home care. It can also restore the death benefit used to pay for long-term care so the insured's family still receives the full death benefit amount when they need it the most. Living benefits also include a terminal illness benefit, which is mentioned in number 18.

### 6. What is long-term care?

It protects insureds against expenses associated with a catastrophic event (accident, injury or disability). It also helps supplement the cost of assisted living, adult day care, nursing home care and home healthcare.

### 7. How many people become caregivers? Does this situation affect a majority of the population?

The answer is yes. More than 65 million people, or 28.5 percent are caregivers to family, friends and children with special needs.<sup>2</sup> It's important for employees to understand that this affects a lot of people, and one day they may likely be called to help a family member.

### 8. How many people have long-term care?

Approximately 8 million people in the U.S. have long-term care insurance and nearly 400,000 new policies are issued each year.<sup>1</sup>

### 9. If an employee becomes a caregiver, how will that change his or her life?

More than half of all caregivers say that as a result of caregiving, they have less time for friends or family.<sup>3</sup> Their "to-do" list doubles and sometimes triples with the amount of extra work. On average, caregivers exert eight hours a week for someone who doesn't live in their home, and 43 hours a week for someone who does.<sup>3</sup> It can cause many to adjust their work schedules, turn

down promotions, take more leaves of absence or leave work entirely. The goals and dreams of the caregiver are quite often put on hold.

#### 10. How do caregivers pay for these added expenses?

There are most certainly financial impacts to providing care. Especially if the caregiver has to cut back hours at work, take a day off or a leave of absence. In addition to the possible loss of income, the financial burden of medication, equipment, transportation, home healthcare or assisted living programs can be draining. Nearly half of working caregivers used up all or most of their savings to pay for the added increase in caregiving expenses, and on average spend \$5,531 a year for someone 50 years or older.<sup>4,5</sup>

#### 11. How much does it cost for a family member to have home healthcare or live in a nursing home?

On top of medication, transportation and other expenses, home healthcare can cost \$1,800 to \$7,200 a month depending on how long the nurse or health aide is in the home.<sup>1</sup> Nursing home expenses could be anywhere from \$40,000 to \$100,000 per year depending on the type of facility and where it is located.<sup>1</sup>

#### 12. Does the added stress and financial burden take a toll on the health of the caregiver?

In many cases, yes it does. Caregivers are more likely to feel isolated, depressed and stressed by having to constantly balance work and family on top of their caregiving responsibilities.<sup>6</sup> Studies have shown that working caregivers who care for older relatives are more likely to experience not only depression, but also diabetes, hypertension or heart disease.<sup>7</sup>

#### 13. How will employees know the cash value of the life insurance policy?

Employees will receive a report each year that summarizes their life insurance. It will include premiums paid, interest earned, cash value, expenses and insurance costs.

#### 14. Can the face value of the policy be changed if the insured's needs change?

The face value of the policy can increase at any time with proper evidence of insurability. The EZ Value Option is also available, which automatically increases benefits to keep pace with increasing needs, by either \$1 every week for 10 years, \$1 every week for five years or \$2 every week for five years. The policy can also be decreased as long as the amount does not fall below \$5,000.

#### 15. Does coverage change if an insured decides to leave his or her employer?

This policy includes the portability of coverage if insureds change jobs or retire. In those cases, we will provide them with a method for direct payment instead of through payroll deduction.

#### 16. Does coverage decrease as the insured gets older?

**For Universal Life** – No. Coverage remains the same.  
**For Universal LifeEvents** – When the insured reaches age 70 (or reaches the fifteenth policy year, if later), when their financial needs are lower, the death benefit is reduced. At the same time, the living benefits continue at the full original level so they will have maximum protection when they are more likely to need long-term care. (Refer to number 5 to learn more about living benefits.)

#### 17. How does the insured set up a beneficiary?

Ask the employee for the name and relationship of the person they wish to name as their beneficiary. Then, they can change their beneficiary as often as needed as long as it is not an irrevocable beneficiary, as that is permanent.

#### 18. Do these policies also include a terminal illness benefit?

Yes. They offer up to 75 percent of the death benefit if a doctor determines the insured's life expectancy is 24 months or less.

<sup>1</sup>American Association for Long-Term Care Insurance. <sup>2</sup>National Family Caregivers Association. <sup>3</sup>Caregiving in the U.S. 2004 and 2009, National Alliance for Caregiving and AARP. <sup>4</sup>Evercare Survey of the Economic Downturn and Its Impact on Family Caregiving; National Alliance for Caregiving and Evercare. March 2009. <sup>5</sup>Valuing the Invaluable; The Economic Value of Family Caregiving 2008 Update. AARP. <sup>6</sup>MetLife Mature Market Institute. February 2010. <sup>7</sup>MetLife Study of Working Caregivers and Employer Health Care Costs. February 2010.

## Questions for Employees

Help employees determine if they are ready for one of life's curve balls with the questions below.

1. How much would your family's or children's lives change if something happened to you? Will they be able to take care of themselves and your home?
2. Are you prepared to pay for long-term care?
3. If you became a caregiver, how would you afford it? If you are a caregiver, how are the extra expenses affecting your life?



## Common Objections From Employees

### Answers for Enrollers

#### 1. I already have life insurance through my employer. I don't need any more.

Most life insurance provided to you by your employer is different than what Universal Life or Universal LifeEvents provides. It is normally term life insurance, and will expire. Our policies offer you permanent protection as well as accumulate cash value. It can be used as an add-on to what you currently have through your current employer. So you will have access to a larger benefit, and still not lose your current coverage.

#### 2. Universal Life policies basically just help you save a large amount of money, and they're expensive. It's not for someone like me.

A life insurance policy through Trustmark helps in more ways than just building up cash. It gives you the peace of mind to know that you are constantly taken care of. Plus, our policies are extremely affordable.

#### 3. I don't make enough money to have to worry about my family being disrupted if something happened to me.

Do you help with house payments and other bills? If so, where will your family or spouse get the other share of the money needed to pay those bills? I'm sure you contribute, and you may not realize just how much. Think of it this way, if you lost your job, would it affect your current living situation?

#### 4. It's better to buy low-cost term life insurance rather than the cash value permanent life policies. So I'm going to purchase that instead.

Universal Life and Universal LifeEvents insurance provide flexibility not found in term coverage. Access to an accelerated death benefit with accumulation of cash value during living years provides a valuable source of funds, helping to pay for such things as long-term care – while you're still living.

#### 5. Isn't long-term care for the elderly? Why do I need to spend money on it now?

Long-term care may actually be needed at any age. And it's included in Universal LifeEvents – so there's no extra money to spend. It can double the value of your life insurance, and it never reduces. If you had to pay for it yourself, it could deplete your savings and limit your care options at the same time. And, the earlier you purchase a plan, the less expensive it will be.

#### 6. I'm not going to a nursing home, so what does long-term care have to do with me?

Long-term care is not just for nursing home expenses. It can help pay for medical expenses and caregiving expenses associated not only with age, but with an injury, accident or disability. However, even if you are not planning on living in a nursing home, it's important to realize the expenses associated with home care. More than 40 percent of long-term care policy benefits are used for home healthcare, as some 7.6 million individuals currently receive care at home.<sup>1</sup> Only 24 percent of policies are used to supplement nursing home expenses.<sup>1</sup>

#### 7. I won't need long-term care. I'm perfectly healthy.

If you are one of the few not affected by the expenses of long-term care (for either yourself or a family member), then you are certainly very lucky. However, with any type of insurance, you don't have to use it or lose it. Insurance just safeguards against the what if's. And in this case 20 percent of the population will need long-term care for five or more years, which could be very financially draining.<sup>1</sup>

<sup>1</sup> American Association for Long-Term Care Insurance

Please see your policy/group certificate for complete details, exact terms and provisions. Benefits, exclusions and limitations may vary by state and may be named differently.

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