



**PC24** Trustmark  
Producer Conference  
San Francisco • February 4-7

**ACCELERATE**

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# Changing the narrative on life and long-term care



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# Today's discussion

- The need is the lead
- How to handle the legislation conversation
- Another angle: Retirement protection
- Telling the story across demographics
- Messaging for success

# Washington Cares Fund

## The industry pros and cons

- Passed in 2019 as a .58% payroll tax to fund long-term care services
- Pros:
  - Raised the profile of long-term care nationwide
  - Generated a lot of business
- Cons:
  - Created confusion about what might happen in other states
  - Shifted some of the focus of life and long-term care sales to legislation and tax avoidance



# Don't let legislation distract you

The benefits industry

Long-term care  
legislation

Long-term  
care need



# The need for care in four easy stats

**2034**

By 2034, there will be more Americans over the age of 65 than children.

**409,000**

Nursing home and care facility employees left their job during the pandemic.

**\$9,034**

Median monthly cost of a private room in a nursing home.

**26%**

Percent of income caregivers spend on caregiving activities.

# Why sell based on the need?

- Generally, we see higher premiums selling based on the need
- The need is indisputable, legislation is questionable
- Easier communication - people understand the need, they don't understand taxation and the government





# How to handle the legislation conversation

# Long-term care legislation garners national attention



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WASHINGTON

## Washington to begin deducting payroll taxes to finance new long-term care plan

The care plan would benefit WA residents who suffer from certain illnesses and aging-related conditions like dementia

Associated Press




The New York Times

RETIRING

## States Try Easing the Burden of Long-Term Care's High Cost

Seeing their own financial benefits, too, Washington and California are among the states creating programs to help older residents.



abc NEWS VIDEO LIVE SHOWS ELECTION 2024 538

## Washington's long-term care payroll tax starts July 1, as other states explore similar programs

Washington next month will become the first U.S. state to deduct taxes from workers' paychecks to finance a new long-term care benefit for residents who can't live independently due to illness, injury or aging-related conditions like dementia

# Keeping legislation in perspective

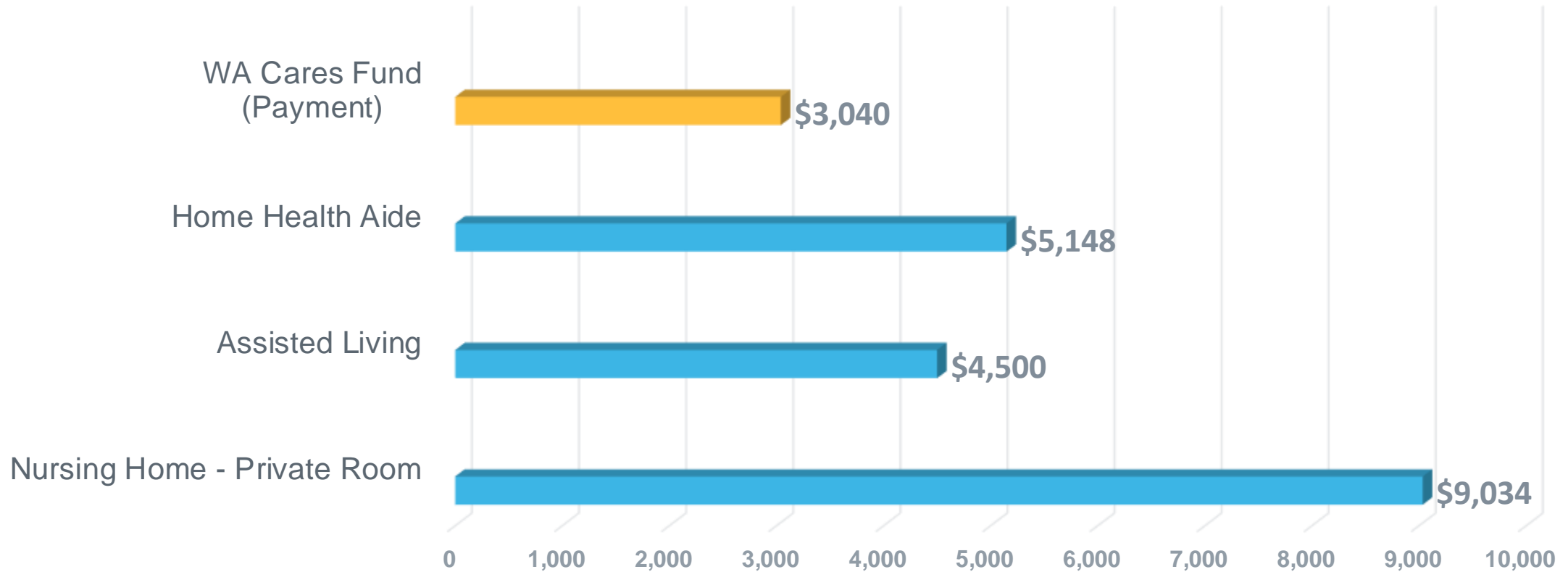
- The state program likely isn't enough to cover care needs, for many it will take:
  - Retirement savings
  - Insurance
  - Government assistance
- The legislative process takes time; for many states, a program is a ways away





# State programs in perspective

## The WA Cares Fund vs. Average Monthly Costs/Payments



Source: Genworth Cost of Care Survey. 2021.

# It's not all about the opt out

- For many they won't opt out because they need all the coverage they can get
- For others, they won't make enough to come out ahead from an opt out:
  - WA Cares Fund: Roughly those making > \$100,000\*

\*Dependent on policy size, range of other factors



# Take action now

- Don't wait for the government to solve the problem for you
- We can return and do another guaranteed issue offer if legislation passes
- Worst case scenario is employees have a much-needed financial tool to cope with long-term care





# Another angle: Retirement protection

# Employees value retirement/401(k)

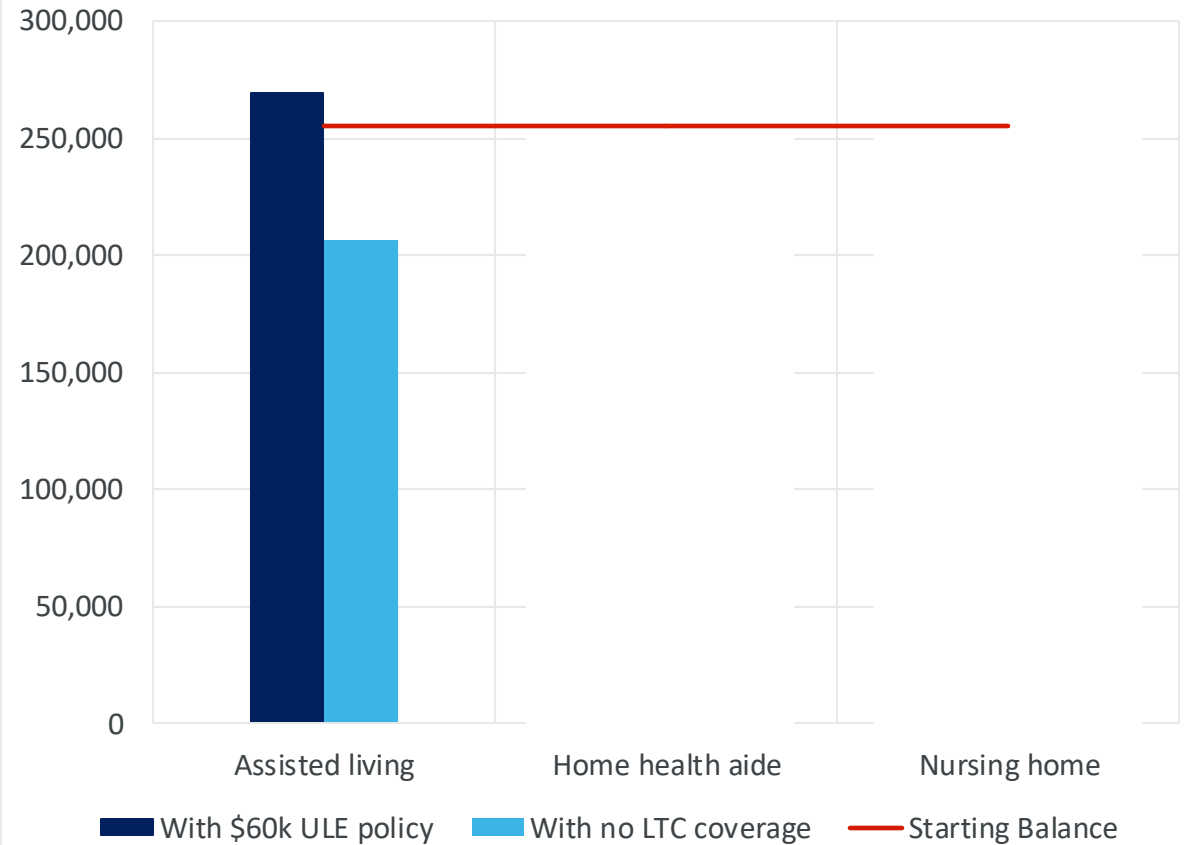
- Long-term care is not top of mind — retirement is
- Unexpected costs of long-term care are a threat to employees' hard-earned retirement
- Many retirement funds are insufficient as it is



# A look at the numbers

- Average LifeEvents<sup>®</sup> policy is \$60K
  - Provides monthly benefit of \$2,400
- The average retirement savings is \$255,200
- In early 2023, the average monthly Social Security check for a retiree was \$1,781

28 mo. of LTC – Retirement savings with/without ULE coverage



\*Assumes retirement savings earning 5% annual rate of return



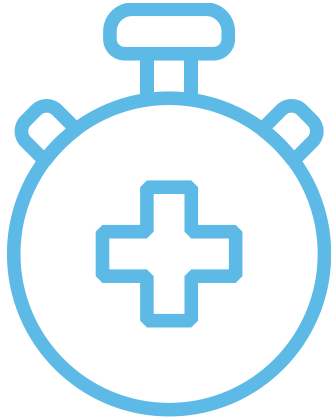
# Telling the story across demographics

# Growing awareness, cross-generation interest

- With many employers focused on retention, they may be surprised that younger generations are interested in long-term care
- They're purchasing more coverage than you might think



# Younger demos are looking for answers



Millennials are more concerned about LTC expenses than any other generation (closely followed by Gen X)

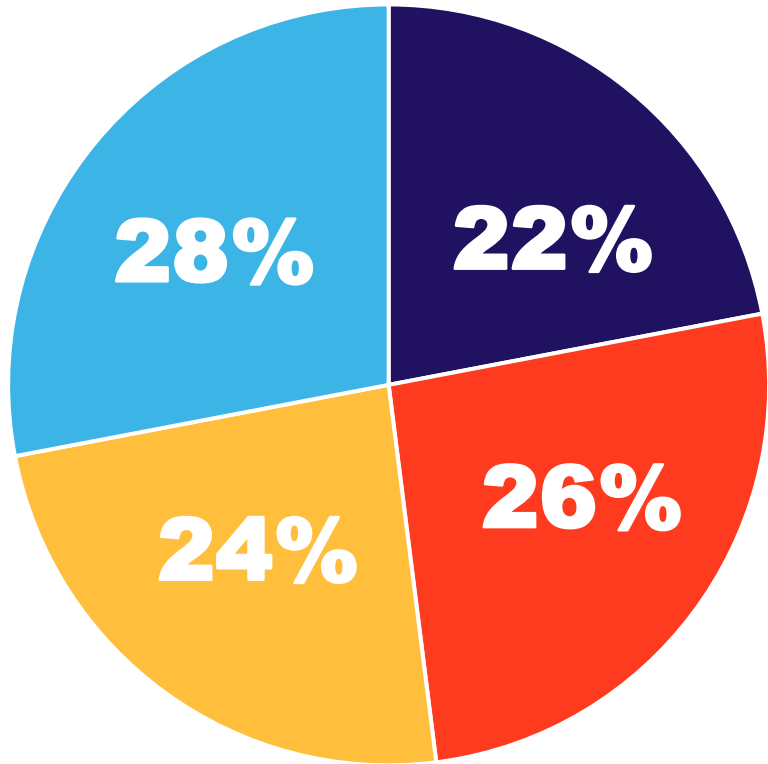


Millennials ranked long-term care and life insurance as the top areas they'd like to discuss with a personal financial advisor



# Who's purchasing?

Everyone!

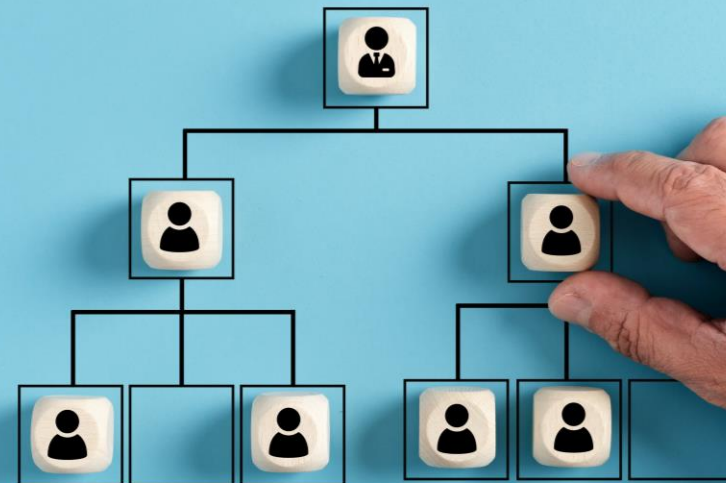


■ 20's ■ 30's ■ 40's ■ 50's



# A story for every earner

- High-earners
  - Asset protection
- Mid-earners
  - Retirement protection
  - Providing choices
- Low-earners
  - Providing choices
  - Avoiding the need for Medicaid



# Messaging for success



# Messaging for your clients

- Complex topic, keeping the message simple helps
  - Emotional selling vs. fact-based selling
- Telling stories vs. providing data
- How much do employees already know?



# Balancing life and long-term care

- Can you segment the population?
- Are you trying to solve for life insurance? For LTC? Sell more to older employees or younger employees?
- Either way, need to remember that this is life insurance with LTC, not the other way around



# Other messaging factors to consider

- Not traditional LTC
  - LTC insurance can have a stigma attached to it
- Making it relevant for employers
  - Impacts of employees caring for parents
- On-cycle vs. off-cycle enrollment
  - Value of off-cycle — get enough attention on this issue



# Key takeaways

- Legislation can't be ignored, but understand the context
- There are a lot of reasons to offer a life and care solution
- There are a lot of reasons for employees to purchase coverage
- Consider all the angles to have effective conversations

**Thank you!**

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How'd  
we do?

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