



PC24 Trustmark
Producer Conference
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ACCELERATE

Trustmark 

Choose the right life and long-term care product to meet your clients' needs



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Let's start with a show of hands...

What do you think is the average retirement savings in America?

- A. \$880,250
- B. \$255,200
- C. \$75,300
- D. \$430,000



**Let's start with a show
of hands...**

Answer:

B. \$255,200

The growing need for long-term care coverage

\$1,781

Average monthly social security check for retirees in early 2023¹

\$255,200

Average retirement savings²

\$4,500

Average monthly cost of an assisted living facility²

Based on these averages, a 65-year-old requiring long-term care at age 70 would run out of money by age 78.



Don't wait for legislation!

The conversation about long-term care needs to **start today.**

¹How your retirement savings compare to the national average. Forbes 2023.

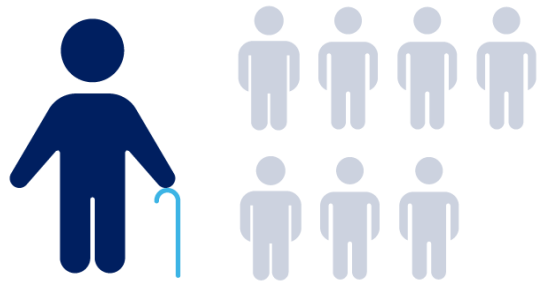
²2021 Genworth Cost of Care Survey. Genworth. 2023.

Agenda

- Why does the care crisis matter? What does it mean for our industry?
- Trustmark's three solutions to address long-term care
- Comparing §7702B and §101(g)
- Considerations for choosing a solution that's right for your case

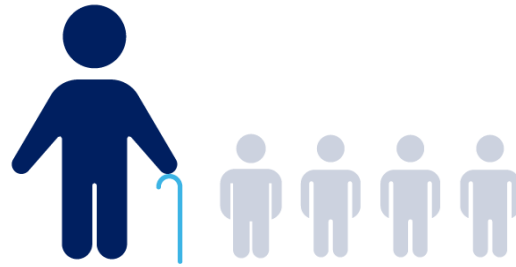
Why does it matter?

Unaffordable professional care often shifts the responsibility to family members



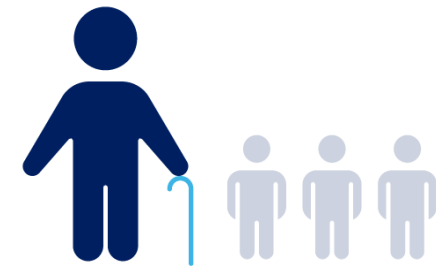
2010

In 2010, every person over 80 years old had **7+ potential family caregivers**



2030

By 2030, that ratio is expected to **fall to 4:1**



2050

By 2050, the ratio will fall to less **than 3:1**

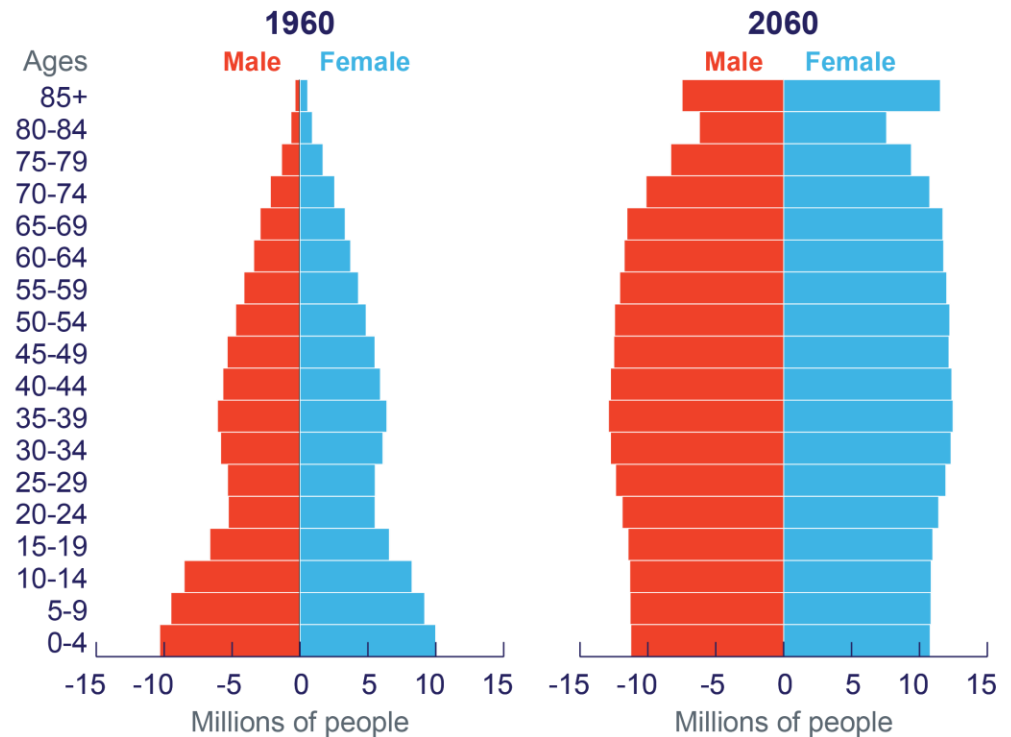
Vox Health. Babyboomers are aging. Their kids aren't ready. 2023.

Why does it matter?

- Between 2030-2035, there will be more people over the age of 65 than under the age of 18
- **Who will support the elderly?**
- **What will life be like for caregivers?**

The Caring Company. Harvard Business School. How employers can help employees manage their caregiving responsibilities- while reducing costs and increasing productivity. 2018.

From Pyramid to Pillar: A Century of Change Population of the United States



National Population Projections, 2017 www.census.gov/programs-surveys/popproj.html

What's legislation got to do with it?

We know this isn't the first you're hearing about the care crisis...

- The WA Cares Act created a lot of buzz around long-term care
- More states are considering similar programs
- Staying informed and prepared to react to legislation is important, BUT
 - The need for care exists regardless of legislation passing
 - Your clients need solutions **today**

Trustmark has three solutions



Universal Life

- Level benefits throughout the life of the product
- Can include long-term care benefits



Trustmark Universal LifeEvents®

- Death benefit reduces to 1/3 at age 70*
- Can include long-term care benefits



Trustmark Life + Care®

- Guaranteed rates and benefits
- Can include benefits for professional or family caregiving
- Two options for death benefit reduction: 50% or 67% reduction**

*Or at the beginning of the 15th policy year, whichever occurs last

**At the later of age 70 or the 10th policy anniversary

Chronic care vs. Long-term care

Chronic care

- Requires a lump-sum-payment option be available
- Can require that your disability be permanent to pay benefits

How care benefits work

- Insured has 2 of 6 ADL disability or cognitive impairment
- Provides an accelerated death benefit that receives favorable tax treatment

Long-term care

- Can be sold and marketed as long-term care
- Producer licensing required
- Annual reporting requirements
- Rate filing requirements
- Policyholder disclosure requirements
- Nonforfeiture requirements

What are §7702B and §101(g)?

Both are sections of the Internal Revenue Code

- §7702B governs the treatment of qualified LTC insurance
- §101(g) governs the treatment of certain accelerated death benefits



Both indicate that benefits received for someone who is chronically ill should receive favorable tax treatment

Tax treatment of benefits

We intend for the living benefits on UL & TLC to receive favorable tax treatment

- Benefits paid must under max daily per diem limit set by IRS
- IRS per diem limit for 2024 is \$410/day
- Maximum we pay under our products is \$400/day

How are §7702B and §101(g) different?

There are similarities between the two but many differences as well

- §7702B contains additional requirements that §101(g) does not:
 - More specificity around terms and definitions
 - Specific application and certificate disclosure requirements
 - Specific exclusions that are allowed
 - Requirements for specific benefits
 - Reporting requirement differences
- Some requirements for §7702B do not apply to LTC riders that are accelerated death benefits

What's important for your case?

Policy size and growing over time

- Higher vs. lower wage earners
- Consider cost of product
- Consider maximum benefit amount



What's important for your case?

Enrollment conditions and marketing campaigns

- Passive enrollment? Active?
- In-person vs. online
- Access to employees
- Enrollment campaign lead-time



What's important for your case?

Receiving care benefits

Workforce demographics

- More likely to receive professional or family care?
 - May be impacted by average salary or geographic region



What's important for your case?

Chances of legislation in states where employer operates

- Long-term care benefit vs. chronic care or qualified long-term care benefit options (7702B)
- Availability may vary by state



Key takeaways

- Products are not one-size-fits-all
- We have a large range of options between our life products to best fit each case
- We need to provide solutions to address the growing need for care, regardless of legislation
 - If a state does pass legislation, we can pivot to meet their requirements with our multiple solutions

Changing the narrative on life and long-term care

Monday, Feb 5th
Twin Peaks
3:10 – 3:45 PM

Interested in continuing the conversation? Join us for our Product 301 session!

Thank you!

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How'd
we do?

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