

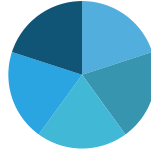
Why Employers Offer LTC Insurance

1 LTC LEGISLATION

- In 2023, the US Medicaid budget was \$536B ▪ Cost associated to LTC equated to \$164B (31%) of the budget ▪ Numbers like these largely drove the establishment of the WA Cares Fund. [Tax Calculator](#)

2 401K/403B PRESERVATION

- Prevent employees from leaning disproportionately on 401k



- Personal Savings
- Social Security
- State Programs/Medicaid
- 401k
- LTC Benefits

3 SANDWICH GENERATION OF EMPLOYEES

- By 2030, all baby boomers will be age 65 or older according to the US Census Bureau

4 EMPLOYEES REQUESTING LTC

2021 LIMRA Study - top 3 reasons for Life + LTC products:

- Concern LTC costs may deplete or exceed savings – **35%**
- It is a more economical use of current assets – **33%**
- Benefits pay even if LTC expenses aren't incurred – **29%**

NY Life Study

LTC is one of top 5 benefits employees are most interested in

5 EMPLOYERS OFFERING LTC BENEFITS

- **KFF** – **25%** of employers offering health insurance also offer LTC insurance. Of those, **39%** contribute toward the cost of the plan through employer funding
- Long-Term Care was identified as the **fastest growing voluntary benefit from 2020 to 2024** - BenefitsPRO

6 EMPLOYER FUNDING

- **Funded for All or Defined Class** – years of service, title, salary
- **Attract & Retain** – with differentiating benefit
- **401k/403b Preservation** – employees that max out benefit
- **Employee Engagement** – increases 600%

7 GROUP PLAN ADVANTAGES

- **Portable** – at same rate
- **Issue Age Rates** – do not increase with age.
- **Guaranteed Issue** – exclusive to employer plans. Provides employees access to a benefit.

