



# Making the case For Living Care Benefits





# The Reality of Needing Care

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As longevity increases, many people will enjoy a longer life. However, with longevity comes the likelihood that there may come a time they won't be able to live on their own or provide self-care. In response, the demand for long-term care services has grown in the United States each year. But what about the cost?

### 795K

People in the U.S. have a **stroke each year** – a leading cause of death and a major cause of serious disability for adults.

Source: <https://bit.ly/3q9hVYB>

### 6 in 10

Adults in the U.S. have a **chronic disease**.

Source: <https://bit.ly/3rQazty>

### 47%

**Of men and 58% of women** 65+ are estimated to need long-term care during their lifetime.

Source: <https://bit.ly/3BkVBix>

### 70%

Is the chance that someone turning 65 today, **will likely need** some type of **long-term care** services and supports in their remaining years.

Source: <https://bit.ly/3uTPdxs>

### 1 in 3

The approximate number of adults who had **trouble paying** for usual **household expenses** in 2020.

Source: <https://bit.ly/3t2rvy4>

### 55%

Of non-retirees have a 401(k) or 403(b) while **25% have no retirement savings**.

Source: <https://bit.ly/35Mm24K>

### \$65K

The **average retirement savings** for American households in 2019.

Source: <https://bit.ly/3BnyWBY>

### \$9,034

Is the **monthly median cost** for a private room in a nursing home facility.

Source: <https://bit.ly/33qALlk>



## Awareness of need hasn't generated action

**As of 2021, 69% of Americans ages 40+ have planned only a little or none at all when it comes to ongoing living assistance.**

Source: <https://bit.ly/3LGjdmw>

**And only 16% are very or extremely confident they will have the financial resources to pay for care.**

Source: <https://bit.ly/3LGjdmw>

# 78%

**of those surveyed who haven't talked with their advisors about long term care feel it would be valuable to do so <sup>1</sup>**

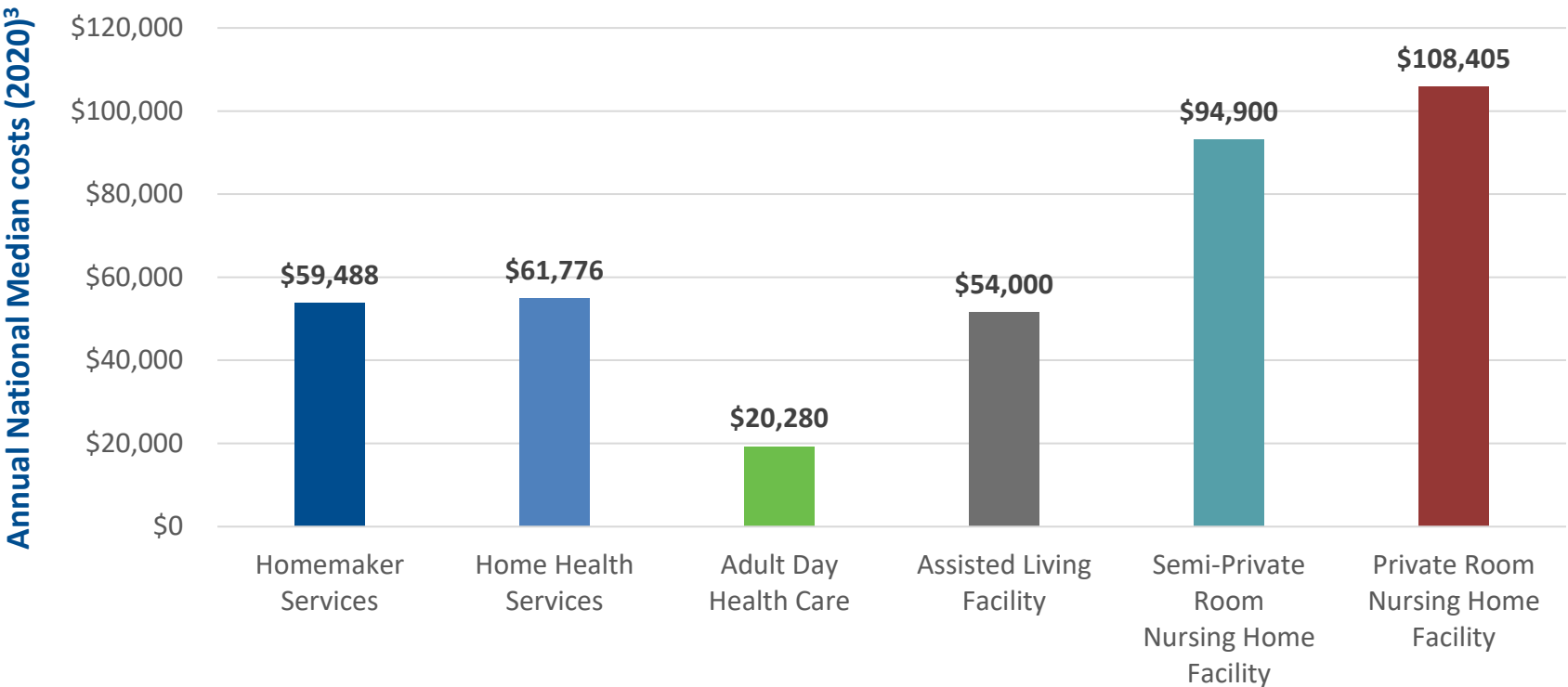
# 91%

**of Americans surveyed believe long-term care planning is an important component of retirement planning<sup>1</sup>**

<sup>1</sup><https://bit.ly/3CgadQH>

# Cost of professional caregiving in the U.S.

Professional caregiving costs have skyrocketed in recent years. The average annual cost of care **for a private room in a nursing home was \$108,450** in 2021<sup>1</sup>. Likewise, in 2021, Alzheimer's and other dementias will cost the nation \$355 billion<sup>2</sup>. These expenses can be a significant personal undertaking.



Based on data from the National Health Expenditure Accounts (NHEA), the Medicaid program was the largest payer of LTSS expenses in 2018 (total payments of \$159.1 billion), followed by out-of-pocket spending by individuals (\$55.0 billion). By contrast, based on industry data, private LTCI paid \$10.3 billion in claims in 2018<sup>3</sup>.

<sup>1</sup> <https://bit.ly/3hC0rPi>  
<sup>2</sup> <https://bit.ly/3HMTlHi>  
<sup>3</sup> <https://bit.ly/3CsUmyt>



# Is Medicare an option?

According to LongTermCare.gov



Medicare **may offer coverage** or limited coverage for medically necessary nursing home or home health benefits (Medicare.gov)



Medicare **does not pay** for custodial care or support services for daily living



Medicaid **can pay** for certain nursing home and home health services—means tested (Medicaid.gov)



\*To learn more about Medicare Home Health care, <https://bit.ly/356Kg9S> or <https://bit.ly/3HvmJXX>, <https://bit.ly/373B6vl>, and <https://bit.ly/3hl8ev3>

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## Americans strongly prefer to age at home

The vast majority of **Americans want to stay in their own home** in the event they need ongoing living assistance as they age<sup>1</sup>. While family and friends undoubtedly want to help their loved ones, they may not be fully aware of caregiving's inherent costs beyond finances. For example, in most cases, caregivers are sacrificing their own family and work responsibilities.

80%

Is the estimated percentage of **care in the home** provided by **unpaid caregivers**.

Source: <https://bit.ly/3q2Uksc>

\$470B

Is the estimated economic value of **unpaid contributions** made by 41 million family caregivers in 2017.

Source: <https://bit.ly/35DUhMb>

11M

The number of Americans who provide **unpaid care** for people with **Alzheimer's or other Dementias**.

Source: <https://bit.ly/3sE3Sdq>

86%

Percentage of **adults** who feel it's more important than ever to **stay in their home for LTC**.

Source: <https://bit.ly/3r1oQ5j>

19%

Is the approximate percentage (**nearly one in five Americans**) who provide unpaid care to an adult with health or functional needs.

Source: <https://bit.ly/3sNhUL8>

78%

Percentage of caregivers who reported having **out-of-pocket expenses** as a result of caregiving.

Source: <https://bit.ly/3q7caKz>



## The Options

The statistics are concerning for workers who are already struggling to save money for basic needs in retirement, let alone expensive health care services. Workers can prepare for extended medical care expenses by buying individual LTC policies or investing money. If they don't buy or invest early on, they'll have to find another way to pay. While public programs like Medicaid can help, most financial advisors caution against counting on the government to pick up the tab entirely.

**Individual  
Long-term Care  
Insurance**

**Group  
Long-term  
Care  
Products**

**Government  
Programs, i.e.  
Medicaid,  
Medicare**

**Personal  
Savings**

**Annuity with  
Long-term  
Care Rider**

**Life insurance  
with  
“Living Care”  
Benefits**



## The Potential Difficulty in Purchasing LTC Insurance



- Group LTC insurance has not gone away. Not enough employees participated to make the product sustainable. The “use it or lose it” limitation made it a hard sell in the workplace
- Individual LTC is an underwritten product and can be difficult to pass underwriting requirements:
  - Full application with health history, RX database check, MIB check and APS Telephone interview
  - Expensive

# Value of Group Living Care Benefits





## New hybrid life and Living Care solutions

A new type of group life insurance offers both permanent coverage for death and chronic care needs.

- Provides permanent coverage
- Pays a death benefit\* and can pay for Living Care
- Guarantee Issue
- Fully portable at retirement or change of employment
- Can have the added flexibility of payable benefits, even if a family member is the primary care giver

\*Death benefit not guaranteed if product doesn't include restoration.





# How It Works

1

**Scenario 1:**

**Death Benefit**

The insured leads a full life & doesn't need any care. The full death benefit is paid.

**Total Death Benefit**

\$100,000

2

**Scenario 2:**

**Split Your Benefits**

The insured leads a full life & needs some home health care. Some of the benefits are taken early & the rest are left to the beneficiaries.

**Death Benefit**

\$48,000

**Care Benefit<sup>1</sup>**

\$52,000

**Total Death & Care Benefit**

\$100,000

3

**Scenario 3:**

**Maximize Your Benefit**

The insured leads a full life & needs an assisted living lifestyle and/or nursing home care. Benefits are fully extended to double or triple the policy value.

**Accelerated Care Benefit**

25 Months

\$100,000

**Extended Care Benefit**

25 Months

\$100,000

**Total Care Benefit**

50 Months

\$200,000

<sup>1</sup>The Living Care Benefit is an acceleration of the death benefit and is not Long-Term Care Insurance. It begins to pay after 90 days of confinement or services, and to qualify you must meet conditions of eligibility for benefits. Pre-existing condition limitation may apply. Living Benefits may not be available in all states or may be named differently. Please consult your policy for complete details. This hypothetical example does not guarantee or predict actual performance.

A man with dark hair and a beard, wearing a white button-down shirt, is seated at a dark wooden table in a cafe or office setting. He is focused on his work, with his hands on a silver laptop. On the table next to the laptop is a clear plastic container with a sandwich and some condiments, a white disposable coffee cup with a brown sleeve, and a white napkin. The background shows several other tables and chairs, some of which are bright yellow, creating a modern and casual atmosphere. A semi-transparent grey overlay is positioned on the right side of the image, containing the text.

A Win for  
**your company**  
and your  
employees

# Win for Employers and their Employees

Living Care benefits enhances a company’s group Life offering by providing their employees added protection they can count on in the future.

| EMPLOYER   | EMPLOYEE  |
|--|---|
| Offers a simple, cost-effective solution for employees’ permanent life and just new chronic illness care concerns. | The benefit can be paid for death or living care needs. No use it or lose it scenarios, as long as premiums are paid on time. |
| 58% of workers feel more financially secure because of the benefits they receive at work.                          | The certificate owner receives the benefit payment in a monthly benefit.  |
| Reducing employee health concerns can lead to increased employee productivity.                                     | The benefit paid can help cover extra expenses associated with a chronic illness.   |
| The additional feature enhances your benefits package and may help you attract and retain top talent.              | There are no requirements on how the money is spent.  |
| No additional employer funded costs.   | Coverage is guarantee issue with no medical questions.  |
| Addresses needs of a multi-generational workforce.   | Premiums and benefits are guaranteed once a certificate is issued.  |



## Strength and Values To Trust

Atlantic American Employee Benefits is the group benefits division of Atlantic American Corporation, underwritten by Bankers Fidelity Life Insurance Company®.

Atlantic American Corporation, headquartered in Atlanta, Georgia, is the parent company of three subsidiaries in the well-defined specialty markets of the life, health, property and casualty insurance industries.

Bankers Fidelity Life Insurance Company® is the flagship carrier in the life and supplemental health division of Atlantic American. Atlantic American Employee Benefits (AAEB), offers voluntary life and supplemental health benefits to employees at the workplace. And, American Southern Insurance Company is the property and casualty division.

We are proud to hire only dedicated, hard-working individuals that make each company the best it can be – a work ethic that is evident in each of our insurance companies receiving an A- (Excellent) rating from A.M. Best\*

\*Best Rating Report; prepared by A.M. Best Company; [www.ambest.com](http://www.ambest.com). The rating refers only to the overall financial status of the Company and is not a recommendation of the specific policy provisions, rates or practices of the insurance company.

# Product Portfolio

## Critical Illness

A fixed benefit plan which pays a cash benefit for a covered critical event. Covers a vast selection of critical conditions and specified diseases. Options for quality of life benefits, infectious disease, gender-specific cancer and mental health. Specialty boosters and HSA-compatible plans available.

## Hospital Indemnity

A flexible hospital plan that provides a means to help fill the gaps in high deductible major medical coverage. Customizable, with robust options for both HSA and non-HSA compatibility. Covers maternity and observation. Health system, COVID-19, health screening and family care booster optional.

## Whole Life

A hybrid life plan that combines the benefits of long-term care protection with the guarantees of permanent life insurance. Our living care benefits can help employees when they need to take care of large expenditures that can arise during critical medical events.

## Accident

A robust and flexible plan that pays a benefit for a covered accident, injury or treatment received. Available as indemnity or expense-based plan. HSA-friendly options. Optional boosters available to add value.





## Important information

This presentation is for informational use only. It is not for use with the general public. It is intended to be accurate and authoritative with regard to the subject matter covered. It is presented with the understanding that the presenter is not engaged in rendering legal or tax advice, nor is the presenter discussing or recommending any specific product.

Illustration numbers are for training purposes only and represent hypothetical situations. Hypothetical illustrations, projected premiums and death benefit are based on the interest rate, mortality charges and other expenses illustrated in the life insurance policy used in this example. They are not guaranteed. Hypothetical product examples discussed in this presentation are those of a typical highly rated insurance company.

The products and/or certain features may not be available in all states. State variations may apply.

Group Hospital Indemnity policy form series GHIP21AAEB, Group Accident policy form series GACP21AAEB, Group Critical Illness policy form series GCIP21AAEB, Group Disability Income policy form series ICC16 B 21605 GMP, Group Whole Life policy form series B 21803 GMP, underwritten by Bankers Fidelity Life Insurance Company®. Limitations and exclusions apply; the terms and conditions in the actual policy and certificate provisions control. Rates are subject to change. Refer to the specific policy and certificate for details. Application to determine eligibility may be required. The Policy, any optional Riders and the benefits therein are subject to availability and may vary by state. This contains only a summary of products and services offered; actual offerings may vary by group size and other underwriting or legal considerations. This is a solicitation of insurance and an independent agent may call on you.

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