Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program
Administered by Virginia Retirement System

Underwritten by Genworth Life Insurance Company.

©2020 Genworth Financial, Inc. All rights reserved.
Today’s Topics

An Introduction to Long Term Care (LTC) and Long Term Care Insurance (LTCI)

The Three Key Decisions

Additional Benefits & Eligibility

Summary & Next Steps
Why Purchase Long Term Care Insurance?

- **Protect Savings**
  Helps protect the money you’ve been saving for retirement, education, etc.

- **Protect Family**
  Helps protect your family and friends from the impacts of caregiving.

- **Maintain Choice & Control**
  Helps keep your options open about how you receive care.

- **Stay At Home**
  Helps reimburse expenses to make home modifications and receive home care where you’re most comfortable.
Myths & Realities

“It won’t happen to me.”

“My insurance will cover me.”

“The government will pay for the care I need.”

“Long term care insurance is too expensive.”

**About 70%** of people over 65 will need long term care services and support at some point*

**Neither** disability nor health insurance are designed to cover long term care expenses

**Medicare & Medicaid** benefits are **very limited** and you may **not qualify**

You can customize a plan to fit your **needs** and your **budget**

---

Long Term Care Insurance May Be More Affordable Than You Think

Premiums vary by age

Coverage for a 45-year old under this program can be as low as $40.01 per month

<table>
<thead>
<tr>
<th>Purchase Age</th>
<th>Cost Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 50</td>
<td>$49.55</td>
</tr>
<tr>
<td>Age 55</td>
<td>$65.47</td>
</tr>
<tr>
<td>Age 60</td>
<td>$95.27</td>
</tr>
<tr>
<td>Age 65</td>
<td>$153.22</td>
</tr>
</tbody>
</table>

This displays example premiums for a plan design of $3,000 Monthly Benefit and $108,000 Total Coverage at a variety of ages. It assumes FPO elections are exercised and no premium increases occur. Actual premiums depend on the age, plan design and options selected.
How Do You Qualify For Benefits?

If you need help with at least **2 of the 6** Activities of Daily Living (ADLs), and help is expected to last at least 90 days.

A severe cognitive impairment that requires substantial supervision also makes you eligible to qualify.

When you need long term care, the **elimination period** is the time period during which you must pay for your own care without being reimbursed under the policy.

**Need For Care May Arise From:**
- Injuries caused by accidents
- Illnesses like Multiple Sclerosis
- Diseases like Alzheimer's or Parkinson’s
- Strokes or other chronic conditions

LTCI can help reimburse the cost of LTC services that help people perform everyday activities.
How Does Long Term Care Insurance Work?

A “Pool of Benefits”

LTCI provides a pool of benefits (Total Coverage Maximum) that can reimburse long term care services when and where needed.

- Home & Community Care
  - Nurses & Therapists
  - Home Modifications
  - Adult Day Care
  - Incidental Home Maker & Chore Care

- Assisted Living Facility Care
  Allows you to live independently with on-site support for daily basics

- Nursing Facility Care
  Provides more skilled care, supervision, medication, therapies and rehabilitation
The Three Key Decisions

Basic Choices to Customize Your Plan

The examples that follow reflect plan design options and premiums available to your group. Your actual premiums will depend on your age and the plan design you choose. Examples assume no premium increases occur, except as anticipated with acceptances of the FPO Benefit Increase Option.

All cost of care information shown is based on Genworth’s 2017 Cost of Care Survey, conducted by CareScout® 6/2018.
Three Key Decisions

1. Monthly Benefit Amount
   - $3,000
   - $4,500
   - $6,000

2. Total Coverage Maximum
   - $72,000
   - $108,000
   - $144,000
   - $108,000
   - $162,000
   - $216,000
   - $144,000
   - $216,000
   - $288,000

3. Benefit Increase Option
   - Buy More Coverage Over Time
   - Automatic 3% Compound for Life
   - Automatic 5% Compound for Life

Cover the **Monthly cost of care** in the area where you might retire
- 100% for nursing home & assisted living
- 50% for home & community care
**Step 1: Choose a Monthly Benefit**

Select a Monthly Benefit to cover the monthly cost of care in your area.

### National Monthly Costs

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health Aide</td>
<td>$4,290</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>$1,625</td>
</tr>
<tr>
<td>Assisted Living</td>
<td>$4,051</td>
</tr>
<tr>
<td>Nursing Home</td>
<td>$8,517</td>
</tr>
</tbody>
</table>

### Monthly Median Costs: Virginia - State (2019)

<table>
<thead>
<tr>
<th>In-Home Care</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Homemaker Services¹</td>
<td>$4,195</td>
</tr>
<tr>
<td>Home Health Aide¹</td>
<td>$4,382</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community and Assisted Living</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Day Health Care²</td>
<td>$1,603</td>
</tr>
<tr>
<td>Assisted Living Facility³</td>
<td>$4,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nursing Home Facility</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Private Room²</td>
<td>$7,350</td>
</tr>
<tr>
<td>Private Room²</td>
<td>$8,213</td>
</tr>
</tbody>
</table>

Change weekly in-Home Care hours (Only available with Daily, Monthly, or Annual Cost by Period)
Three Key Decisions

1. Monthly Benefit Amount

   - $3,000
   - $4,500
   - $6,000

2. Total Coverage Maximum

   - $72,000
   - $108,000
   - $144,000
   - $108,000
   - $162,000
   - $216,000
   - $144,000
   - $216,000
   - $288,000

3. Benefit Increase Option

   - Buy More Coverage Over Time
   - Automatic 3% Compound for Life
   - Automatic 5% Compound for Life

Cover the Monthly cost of care in the area where you might retire
- 100% for nursing home & assisted living
- 50% for home & community care

Have enough coverage to last ~3 years

LEARN MORE • GET A QUOTE • APPLY ONLINE
www.genworth.com/cov
**Step 2: Choose Your Total Coverage**
Select a Total Coverage Maximum that will cover ~3 years of care

<table>
<thead>
<tr>
<th></th>
<th>Cost for 1 Year of Care</th>
<th>Years of Care</th>
<th>Target Total Coverage Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assisted Living Facility</strong></td>
<td>$57,600</td>
<td></td>
<td>$172,800</td>
</tr>
<tr>
<td>(A private room)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Home Health Care</strong></td>
<td>$52,578</td>
<td>3</td>
<td>$157,734</td>
</tr>
<tr>
<td>(44 hours with a licensed home health aide @ $20 per hour)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nursing Home</strong></td>
<td>$88,206</td>
<td></td>
<td>$264,618</td>
</tr>
<tr>
<td>(A semi-private room)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Three Key Decisions

1. Monthly Benefit Amount
   - $3,000
   - $4,500
   - $6,000

2. Total Coverage Maximum
   - $72,000
   - $108,000
   - $144,000
   - $108,000
   - $162,000
   - $216,000
   - $144,000
   - $216,000
   - $288,000

3. Benefit Increase Option
   - Buy More Coverage Over Time
   - Automatic 3% Compound for Life
   - Automatic 5% Compound for Life

Cover the **Monthly cost of care** in the area where you might retire
- 100% for nursing home & assisted living
- 50% for home & community care

Have enough coverage to last ~3 years

Keep up with the cost of care **in the future**
Step 3: Choose A Benefit Increase Option
Select an option to help your coverage keep up with inflation

- 5% Compound
  Automatic Increase for Life
  • Available for an additional premium.
  • Premiums stay level but costs most at issue

- 3% Compound
  Automatic Increase for Life
  • Available for an additional premium.
  • Premiums stay level but costs more than FPO at issue

- Buy More Coverage Over Time (FPO)
  • Coverage can increase every 3 or 6 years
  • Default option. Costs less at issue but increases with each additional purchase

Premiums for additional coverage under the FPO option are based on your age when you accept your increase offer.
Additional Benefits

Available with your Program

www.genworth.com/cov
Additional Benefits Included in Your Plan

Waiver of Premium
Waives premiums if you are receiving care in a nursing facility or at home. It also waives premiums while bed reservation & hospice benefits are being paid.

Bed Reservation
Reimburses charges to reserve your accommodations in a nursing or assisted living facility while you are away for any reason.

Hospice Care
Reimburses charges up to the applicable Monthly Benefit.

International Coverage
Reimburses covered care and services received outside the United States
Additional Benefits Included in Your Plan
That May Help You Stay At Home

Respite Care
Reimburses charges up to the applicable Monthly Benefit to give an unpaid caregiver short term relief.

Home Assistance
Reimburses up to 3 times the Monthly Benefit Amount for home modifications, support equipment and caregiver training.

Informal Care
Reimburses cost of services provided by a friend or family member

Additional Benefits You May Select

Nonforfeiture Benefit
• Provides reduced coverage in event of lapse for any reason
• Requires coverage in force for at least three years
Eligibility

You and your family are eligible to apply
Who is Eligible to Apply?

To be eligible, each applicant must maintain a permanent U.S. residence, and have a valid Social Security Number or Tax Identification Number from the U.S. government.

- Actively-at-Work full or part time Commonwealth of Virginia employees who work at least 20 hours per week.
- Actively-at-Work full or part time employees and faculty (including adjunct) of a Virginia public institution of higher education who work at least 20 hours per week.
- Actively-at-Work full or part time or other employees determined and defined by any participating school division, city, county, town or political subdivision covered under the Virginia Retirement System (VRS).
- Employee’s Spouse and Surviving Spouse under age 76
- Employee’s Parents and Parents-in-law under age 76
- Employee’s Grandparents and Grandparents-in-law under age 76
- Employee’s and Spouse’s/Surviving Spouse’s Adult Children and Siblings under age 76
- Retirees and retiree’s family under age 76
- Deferred members of any VRS participating employer who have five or more years of service*

* VRS retirees who satisfy the appropriate plan’s age, service requirements, and employment requirements.

Each person must apply separately.
## Enrollment Medical Underwriting

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hires</td>
<td>Modified Guarantee Issue Comprehensive (MGIC)</td>
</tr>
<tr>
<td>up to and including age 65 during the new hire period*</td>
<td>• 2 question form</td>
</tr>
<tr>
<td></td>
<td>• Height / weight parameters</td>
</tr>
<tr>
<td></td>
<td>• Pre-Existing Conditions Limitation applies*</td>
</tr>
<tr>
<td>New Hires</td>
<td>Long Form</td>
</tr>
<tr>
<td>over age 65 during new hire period</td>
<td>• Medical records are requested</td>
</tr>
<tr>
<td></td>
<td>• Full medical underwriting, which may include:</td>
</tr>
<tr>
<td></td>
<td>- Paramedical exam</td>
</tr>
<tr>
<td></td>
<td>- Functional/Cognitive Assessment</td>
</tr>
<tr>
<td></td>
<td>- Phone Health Interview</td>
</tr>
<tr>
<td></td>
<td>- Pre-Existing Conditions Limitation applies*</td>
</tr>
<tr>
<td>Eligible Full Time and Part Time Employees</td>
<td></td>
</tr>
<tr>
<td>Spouses and Surviving Spouse ages 18-75</td>
<td></td>
</tr>
<tr>
<td>All Other Applicants ages 18-75</td>
<td></td>
</tr>
</tbody>
</table>

We will not pay for Covered Expenses incurred for any loss or confinement that is a result of a Pre-Existing Condition when the loss or confinement occurs within six (6) months following Your initial Certificate Effective Date. Benefits will be paid for Covered Expenses incurred for any such loss or confinement that occurs after the six (6) month period, regardless of when such loss or confinement began.

A Pre-Existing Condition means a condition (illness, disease, injury or symptom) for which medical advice or treatment was recommended by, or received from, a Health Care Professional within six (6) months prior to Your initial Certificate Effective Date.

By Virginia regulation, we are required to pay benefits after the 6 month limitation period, no matter when the loss occurred.
Three Key Decisions

1. Monthly Benefit Amount

2. Total Coverage Maximum

3. Benefit Increase Option

Choose a Care Type below to learn more:
- HOME
- COMMUNITY FACILITY

HOME CARE
Care in your home, typically provided by those listed below, is the most common form of long term care in this country:
- Homemaker Services: Services providing help with household tasks that cannot be managed alone. Homemaker Services include "hands-off" care such as cooking, cleaning and running errands.
- Home Health Aide Services

Typical Cost of Care in California
- DAILY
- MONTHLY
- ANNUAL

- $4,957

VIEW NATIONAL MEDIAN & OTHER STATES

www.genworth.com/cov
Summary & Next Steps

Program Advantages & How to Apply
Why Act Now?

If you postpone the decision to buy...

- Underwriting requirements may change.
- You may not qualify due to future health issues.
- Your premiums will be established at your older age & higher rate.

EXAMPLE BASED ON

$3,000 Monthly Benefit
$72,000 Total Coverage
FPO Benefit Increase

This example is case specific and presents one of the plan designs available. It assumes no FPO elections are exercised and no premium increases occur. Additional options are available at different costs.
Key Advantages of This Program

• Spouses or Surviving Spouses and other family members 18-75 can also apply with these customized group rates

• A 30 day free look is available

• Care coordination and other additional benefits are included at no additional cost

• Coverage is portable - you can take it with you if you leave your job or retire

• Flexible choices to match your needs and your budget

• Easy enrollment by web or paper

Available Billing Options

• Direct bill on quarterly, semi-annual or annual basis or monthly electronic funds transfer
Next Steps

Review your coverage options now and apply online:

- Apply Online: [www.genworth.com/cov](http://www.genworth.com/cov)
- Call Customer Service: 866 859.6060

Talk to your spouse, parents, parents-in-law, and grandparents about this program. They are also eligible to apply up to age 75.
Details You Should Know

• Rates are designed and priced for long term stability—however they could increase
• There is an elimination or waiting period.

• **Care not covered includes:**
  – Care for which no charge is made in the absence of insurance
  – Care outside US except as covered by the international benefit
  – Care by immediate family member except as covered by the informal care benefit
  – Care by Veterans Administration or other government facility
  – Care by a Worker’s Compensation or occupational disease act or law
  – Care resulting from war or act of war, suicide or self inflicted injury, participation in a riot or felony, service in the armed forces, alcoholism or drug addiction
  – Care or confinement that is the result of a pre-existing condition when such care or confinement begins within six months following your certificate date.

• **Non-Duplication of Benefits.** We will reimburse only for covered expenses that exceed the amounts payable under:
  – Medicare (including amounts reimbursable in the absence of a deductible or coinsurance amount)
  – Any federal or state worker’s compensation, employer’s liability, or occupational disease law
  – Any other federal, state or government health care or long term care program, except Medicaid.

View important details in the Outline of Coverage at www.genworth.com/cov
Additional Disclosures

- This insurance program is underwritten by Genworth Life Insurance Company.

- Coverage is provided under group policy 19788 issued to Commonwealth of Virginia using policy form 7053. Form numbers can vary by state, including a state specific variation. For example, in PA, the certificate form number may read 7053CRT-PA.

- Coverage is intended to be tax qualified under IRS code 7702(B).

- State variations may apply. Refer to your outline of coverage for specific definitions, benefits, features, exclusions and limitations.

- This material is part of a solicitation for Group Long Term Care insurance.