

Frequently Asked Questions (FAQ)

Trustmark Term Life+LTC

1. What is Life+LTC Insurance?

You could need Long-Term Care (LTC) because of an accident, illness, cognitive impairment or simply due to aging. This plan is designed to help you and your family plan for the high cost of Long-Term care and combines the benefit of life insurance. You WILL receive a benefit, either for LTC, Life Insurance, or both.

2. How does the plan benefit work?

Choose a life insurance benefit and you will receive a monthly LTC Benefit of 4% of the life insurance benefit to use for Professional Care or 2% of the life insurance benefit to use for Family Care upon LTC claim approval.

3. What if you have previously been rejected for life insurance? Are you still able to enroll under Guarantee Issue?

Guarantee Issue means no health questions are asked when you apply. All full-time employees, ages 18-70, working 30+ hours per week are eligible for a one-time opportunity to enroll for up to \$100,000 with Guarantee Issue.

4. Why does the guaranteed death benefit significantly decrease after 10 years issuance?

The Trustmark Long Term Care (LTC) + Life Insurance has a higher death benefit during your working years. During your working years, you are likely to need the most life insurance protection for those who depend on you. And later in life, you are more likely to need long term care benefits to help pay for caregiving services. Trustmark Long Term Care (LTC) + Life Insurance features a unique benefits structure designed to both address these changing needs and keep your plan affordable. It provides you with the highest benefits at the times in your life when you need them the most. The death benefit reduces to 33% at age 70 or your 10th certificate anniversary, whichever is later. However, your long term care benefits never reduce and remain at the same high level into your later years.

5. What happens if I use all the benefits for LTC, will my beneficiary receive a death benefit?

Yes, Trustmark restores the death benefit to the current death benefit value (at age 70 or after 10 years this would be the reduced death benefit).

6. What happens if I never need LTC and don't use the LTC benefit?

Your beneficiary will receive the death benefit upon your death.

7. Is the life insurance policy a permanent policy which builds a cash value over the policy holders' lifetime?

There is no cash value in this term policy. Loans and withdrawals cannot be made against the policy. After you have had the coverage for at least 10 years, you may elect to pay no additional premiums and convert your plan into either Extended Term (full death benefit in force for a specific shortened duration based on how long you have paid into the plan) or Reduced Paid-Up life insurance (a smaller benefit amount that will remain in force until age 121). Details will depend on your plan, age, benefit amount and how long you have had the coverage. The Extended Term and Reduced Paid Up applies to the death benefit only.

8. Does my premium increase as I get older?

Premiums are based on the age at which you apply for coverage. They do not increase each year as you get older.

9. When does the plan benefit end?

You pay premiums until age 100 and you must use the LTC benefit or death benefit by your 121st birthday. If you don't use it by your 121st birthday, then your plan benefits expire.

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10. What is the Extension of Benefits Rider?

- a. The Extension of Benefits Rider extends benefits payable for Professional Care for an additional 25 months. It extends benefits payable for Family Care for an additional 50 months. The extension becomes effective only after benefit payments under the home health and long term care benefit rider have been exhausted.
- b. This Rider will terminate on the earliest of the following:
 - i. The Monthly Deduction Day immediately following the day Trustmark receives the Owner's written request for termination (likely scenario would be that care is no longer needed) or
 - ii. The date the Certificate terminates (the policy expires at age 121) or
 - iii. The full additional 25-month amount has been used (or 50 months is using Family Care)
 - iv. The date extended benefits end. If you start using the extended benefits, but your health improves and you no longer need care, then you forfeit the remaining months.

11. What if I stop paying the premiums?

If you stop paying premiums, then your plan benefit lapses, and you have no plan benefit.

12. What happens if you miss a payment since it's not auto paid from payroll?

You will enter your bank information for automatic monthly withdrawal as part of the application process. If for some reason a payment is not successful, after 60 days your policy will lapse. Reinstatement from lapse is allowed within 3 years of the lapse date. Application and underwriting are required.

13. How do I trigger the plan LTC benefit?

When you need assistance and are certified by a physician as needing assistance with 2 out of 6 Activities of Daily Living (ADL's) or you are diagnosed with cognitive impairment after the first 90 days. The ADL's are bathing, eating, transferring, toileting, continence and dressing.

14. Can my spouse apply for coverage?

Yes – eligible spouses can apply for coverage. The employee must apply for the spouse to be eligible. Spouse coverage cannot exceed 50% of employee coverage.

15. Does my spouse have to submit their own application?

Yes, first the employee must list the spouse as a dependent on their application on the enrollment website. Once the spouse is added as a dependent, coverage can be selected, and an application completed.

16. How do I know my application was submitted?

Confirmation of your application called 'Enrollment Verification' will be available to download and print after signing.

17. Can I maintain this policy if I am no longer employed by my current employer?

Yes, the Trustmark policy is portable by paying your premiums directly to Trustmark. As long as you continue to pay your premiums, your coverage will remain in force. The rate does not change when you leave employment.

18. How long has Trustmark been in business?

Trustmark has been in business since 1889.

Learn more about Trustmark by visiting [Home | Trustmark \(trustmarkbenefits.com\)](https://trustmarkbenefits.com)

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19. What safety measures are in place should Trustmark file for bankruptcy or not be able to meet their claims obligations?

Trustmark's insurance companies are regulated by each state's insurance laws. As a result, their financial position is evaluated by the state insurance commissioner and is checked regularly with respect to specific capital thresholds required for independent operation. If their capital levels were to fall into a range that would threaten their ability to maintain operations and meet obligations to their customers, the state insurance commissioner would have the ability to step in to protect policyholders. In the event that the company could not be financially repaired, it might be liquidated. At this point, claimants would then be able to receive a lump sum distribution depending on policy type where the lump sum would be paid from the state guarantee fund.

20. Can I use my Health Savings Account (HSA) money to pay my premium?

No

21. Can I use my Flexible Spending Account (FSA) to pay my premium?

No

22. Are the LTC premiums pre-tax or post-tax?

Post-tax

23. Does it make sense to buy a LTC policy if the state you live in ends up having state legislation mandating this insurance? Yes, it does make sense. While each state will have their own regulations, WA state - the only state with an in force Long Term Care program, allowed a tax exemption for those who had an active policy prior to a specified date. WA was the first state to provide a LTC program and many states are reviewing the WA plan when designing their state plan. The WA plan provides an idea of plan design and the tax rate. You can access up to date information on current legislation here [LTC Legislation | Carmel Partners \(myltcguide.com\)](https://myltcguide.com/LTC-Legislation).

24. Is it a whole life insurance policy? This is a term life insurance policy with a long term care rider.

25. How do you get the extension of benefits? What are the requirements/fees? The Extension of Benefits is built into the policy. There are no additional fees or requirements. The Extension of Benefits Rider extends benefits payable for Professional Care for an additional 25 months. It extends benefits payable for Family Care for an additional 50 months. The extension becomes effective only after benefit payments under the home health and long term care benefit rider have been exhausted.

26. How does the extension work? Is there an approval process? See #25 above.

27. With the spouse only able to receive \$15,000, they really won't see the benefit for Long Term Care, is that correct? A \$15,000 face value policy could provide up to \$30,000 in Long Term Care. With the Restoration of Benefits, if the entire \$30,000 was used for LTC, there would still be a \$15,000 death benefit.

28. Do the premiums continue while you are drawing benefits? After you have fulfilled the 90-day elimination period and have an accepted claim, the waiver of premium goes into effect which means you do not pay premiums for the duration of your claim.

29. Is an automatic deduction from a person's bank account the only way to pay the premiums? Yes. Your first ACH deduction will be on 9/28/2024, with ongoing ACH deductions occurring on the 28th of each month.

30. Are the Professional Care and Family Care options exclusive or combined? Do you get 100 months of Family Care, then 50 months of Professional Care? Or does using one subtract the total months from the other? You can only collect one benefit type at a time. However, you can switch between family caregiving and professional caregiving and keep collecting benefits, up to the maximum of twice your certificate's face amount. If you switch mid-month, you will receive 4%.

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- 31. Does the family caregiver include your spouse or child?** Yes, it could be any unpaid family member or friend.
- 32. Could you please walk me through the numbers again?** If someone buys \$200K LTC + Insurance, pay premiums monthly on time until age 85. If the individual passed away at 85 and did not use the LTC benefits at all, what would his beneficiary receive in total? The death benefit would reduce to 33% or \$66,000. If the individual used \$150K LTC benefit, how much would his beneficiary receive at his death? The Restoration of benefits would restore the death benefit to \$66,000.
- 33. How do they verify if you smoke.... asking for a friend.** The yes/no question in the enrollment system is “Has the proposed insured used tobacco in the last 12 months?”
- 34. If you're in a state with a state plan, does the policy require that to be used before the LTC plan pays out?** Currently WA state is the only state with an LTC program and there is no coordination of benefits meaning you can choose whether to use both policies at the same time or separately.
- 35. Is the premium tax deductible?** No, life insurance premiums are not tax deductible.
- 36. Is there a lump sum payment option?** The death benefit is a lump sum payment, but the LTC payments are paid out monthly.
- 37. Is \$150K the max benefit that can be signed up for?** Yes
- 38. Is the spousal benefit of \$15K automatic, or is it a separate fee?** The spouse premium is a separate premium from the employee premium. Each premium will be based on the individuals age and tobacco status. Both premiums will be paid through ACH bank withdrawal.
- 39. If we sign up for a \$150k policy its really a \$300k policy because of the extension correct?** Correct, \$150,000 policy could give you \$300,000 of Long Term Care with the extension of benefits.
- 40. Who determines the date of the month the premiums come out of the bank?** Your group policy has been set up so that Trustmark will deduct the first premium on 9/28/2024, with ongoing ACH deductions occurring on the 28th of each month.
- 41. Can I increase my coverage?** You may increase your coverage by applying for an additional policy during annual open enrollment. You must be actively employed at Carmel Partners. You will complete a new application which will be subject to medical underwriting. The increase in coverage will be rated at your new attained age. The policies will be stacked meaning you will have two policies.
- 42. Can I decrease my coverage?** You may decrease your coverage after the certificate has been in force for one year. The face amount cannot go below \$10,000. To decrease coverage, call Trustmark at 1-800-918-8877.
- 43. How do I receive my policy documents?**
You will receive a letter from Trustmark with instructions to login to [Voluntary Benefits | Trustmark \(trustmarkbenefits.com\)](https://trustmarkbenefits.com). Your policy documents will be available to download and print.
- 44. I am having technical difficulties.**
Password reset – click on ‘Forgot Password’.
Enter your email address and complete the ‘Verification Code’.
Your password reset will be emailed to you.

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Trustmark Underwriting Questions

Modified Guarantee Issue

1. Is the proposed insured now disabled – i.e., unable to engage in normal activity due to physical or mental impairment?
2. Has the proposed insured been seen by a physician or treated in a medical facility, including a doctor's office, within the last 6 months for illness or disease (other than flu and colds)?
3. Has the proposed insured had within the past 5 years: heart disease; chest pains; high blood pressure; stroke; diabetes; cancer; tumor; kidney disease; blood disorder (excluding any testing for HIV antibodies); liver disease; lung disease; or other known health impairments?

Disclaimer: The underwriting questions within this proposal are for illustrative purposes only. The number of underwriting questions and the questions themselves can vary depending upon the state-specific application.