

# AssurityBalance®



## Long-Term Care Insurance



**THE PLUS GROUP**  
America's Premier Disability Marketing Organization



**Assurity®**  
Life Insurance Company

# How we are different?

**Our AssurityBalance LTC product is the perfect fit in these situations:**

- Small Business – 10 and 20 pay, optional surrender rider, step-rated rider
- Couples – actually any two individuals who live in the same household  
- up to an 80% joint discount
- Lifetime Benefits – Our product has among the best rates in the industry
- Full Return of Premium Rider – works well in the corporate market or for anyone who wants their beneficiary to receive the money paid into their long-term care policy. And, no reduction is made for benefits received.
- Indemnity riders – anyone looking for indemnity these days has very few choices, but Assurity can fit the bill.
- Exceptional service
- Easy-to-use software

# Where do we fit?

- Target market age 40 to 75
- Sweet spot 50 to 65
- Income range \$60,000 to affluent
- Has assets to protect
- Especially attractive to small-business owners

# Competitive Lifetime Premiums

As reported in the July 2009  
*Broker World Long-Term Care Insurance Survey*

## LIFETIME BENEFIT PERIOD

Company	Policy Series	JOINT INSUREDS			SINGLE INSURED		
		Age 50	Age 60	Age 70	Age 50	Age 60	Age 70
<b>Assurity Life</b>	<b>AL2100P</b>	<b>2,039</b>	<b>2,658</b>	<b>4,330</b>	<b>1,699</b>	<b>2,215</b>	<b>3,608</b>
Allianz	11-P-Q	2,193	2,915	5,632	1,567	2,082	4,023
Bankers Life & Casualty	GR-N550	3,508	4,863	8,443	2,506	3,473	6,031
Genworth	7044	2,644	3,741	6,754	2,116	2,993	5,404
John Hancock	LTC-03	3,079	4,264	7,208	2,181	3,020	5,106
MassMutual	MM-500-P	2,697	3,555	6,685	2,075	2,735	5,142
MetLife (\$100,000 Lifetime Max)	LTC2-IDEAL	2,389	2,876	3,772	1,792	2,157	2,829
Mutual of Omaha / United of Omaha	LTC09M	2,983	3,803	7,889	2,294	2,926	6,068
New York Life	ILTC-5000	3,323	5,188	8,692	1,955	3,052	5,113
Prudential	GRP130146	2,854	4,021	8,063	2,039	2,872	5,759
State Farm	97059	3,664	4,360	7,502	2,618	3,115	5,359

The information on this chart was based on information from the *Broker World Magazine*, July 2009, Eleventh Annual Long-Term Care Insurance Survey. The Top 10 Actively Selling Companies were based on 2008 first-year premium production. Policy features, provisions and options vary by company and by state. Premium amounts shown are the best available annual rates for \$100 Daily Benefit for Facility Care and Home and Community-Based Care, Lifetime Benefit Period, 90-day Elimination Period, Waiver of Premium Rider and Compound cost-of-living rider. Joint insureds are assumed to be the same age.

This material shall be used only for agent training. Any other use of this information such as distribution to prospective policyholders or accounts or the solicitation of Assurity insurance policies is NOT authorized by Assurity. This is not a full description of an Assurity policy and does not address state variations. The policy descriptions of companies other than Assurity referenced in this material were not furnished by those companies and may not relate to the most current version of the policy or rider. Refer to the policy and/or rider for complete details, limitations and exclusions. Do not use this material to solicit insurance or induce a policyholder to lapse, forfeit or surrender an insurance policy.

Policy Form No. AL2100P is underwritten by Assurity Life Insurance Company.



# Facility Care Benefit

- Benefits are payable for Qualified Long-Term Care Services (including skilled, intermediate or custodial nursing care) provided in a nursing facility or assisted living facility and Maintenance or Personal Care Services performed in an assisted living facility
- Benefits paid will be the actual daily Facility Care charges incurred, up to the Daily Benefit Amount selected
- Also covers Facility Bed Reservations, Respite Care, and Alternative Plan of Care
- Benefits paid are subtracted from the maximum Benefit Amount (if any)

# Home and Community Based Care

- You may select coverage under the policy for Home and Community Based Care, which pays for Long-Term Care services provided:
  - ✓ at Home
  - ✓ in an Adult Day Care Facility
  - ✓ Hospice Care
  - ✓ and for Caregiver Training
- Such services can be provided through a qualified Home Health Care Agency or an Independent Home Health Caregiver



# Product Basics

## Issue Ages

- Available for ages 40 to 84 age nearest (We can accept lower ages for groups only.)
- Policies can be backdated 60 days to save age but not to save eligibility

## Elimination Period Options

- 0, 30, 60, 90 or 180 days available
- Elimination period only needs to be satisfied once during the life of the policy
- Days may be accumulated under separate claims in order to satisfy elimination period
- In the case of a joint policy, the elimination period applies to each insured

## Benefit Period Options

- 2, 3, 4, 5, 6, 10 or lifetime coverage options available

## Benefit Amounts Available

- \$40 to \$300 daily in \$10 increments

## Payment Endorsements

- 10-year premium
- 20-year premium

# Policy Features

- **Facility Bed Reservation Benefit**  
*(Retain original facility bed)*
- **Respite Care Benefit**  
*(Gives the caregiver a break)*
- **Alternative Plan of Care Benefit**  
*(Provide care in any circumstance)*
- **Optional Personal Care Advisor**  
*(At time of claim, anyone can contact Lifecare)*
- **Optional Care Coordination**  
*(Provides additional care for any other circumstance)*
- **Coverage Outside the United States**  
*(Use up to 30 days outside U.S.)*
- **Waiver of Premium**  
*(Waives premiums upon claim)*

# Policy Riders

- **Monthly HCBC Rider**
- **First Day HCBC Benefit Rider**
- **Optional Policy Surrender Rider**
- **Shared Benefit Amount Rider**
- **Full Return of Premium Rider**
- **Compound Benefit Increase Rider**
- **Step Rated Premium Payment**

# Available Discounts

## Joint Policy Discount

- Up to 80 percent discount on Joint Policies
- Discount is based on the older insured's issue age and a combination of the rate classifications offered to both applicants

## Employer/Association Group Discount

- **Qualified Groups:**
  - ✓ Any employer with three or more employees; or
  - ✓ Associations, labor unions, and trade or professional organizations with ten or more members, an active existence for at least two years, a constitution and bylaws, and formed in good faith for purposes other than obtaining insurance
- The premium discount will be 5 percent for all ages
- Applicants 18 and older will be considered when part of a qualified group

# AssurityBalance® LTCl Approved States

AssurityBalance LTCl is approved for sale in 47 states and the District of Columbia. The product is not available in the state of New York.



Pending State Approval

**Florida**

# Partnership Approved States

- Colorado
- Idaho
- Kansas
- Minnesota
- North Dakota
- Nebraska
- South Dakota
- Oregon
- Pennsylvania
- Virginia
- Georgia
- New Jersey
- Missouri
- Ohio
- Oklahoma
- Wisconsin
- Arkansas



# Sales Ideas



**Please contact your local Plus Group office for more information. Go to [www.plusgroupus.com](http://www.plusgroupus.com) and click on the office locator map to find an office near you or call 800/831-1018**

# Assurity and LifeCare

**James M. Glickman FSA, CLU**

**President & CEO**

**LifeCare Assurance Company**

# The New Industry Positioning: Limited Benefits are Sufficient

## Companies Developing a Fear of Lifetime Benefits

- Industry experience shows increased claim durations
- Cognitive impairments most dominant claim cause
- Corporate management fears unlimited claims potential

## Increased Prices/State Partnerships are Opportunity

- Industry needs answer for agent reluctance to higher prices
- State partnerships provide rationale for limited benefits
- Corporate emphasis on limiting risk exposure

## Industry Develops a False Answer for all to Worship

- 3- or 4-year benefit covers 96-98% of the risk
- Premium is much more affordable to the client
- Big question – why does lifetime benefit cost twice as much?

# Impact of Rigorous Underwriting

## Lower Loss Ratios

The measure of effective underwriting

## Lower Premium Rates

Made possible with a good risk pool

## Stable Premiums

The end result of a quality risk pool

## High Issue Rates

The interesting result of effectively promoting a tough underwriting position

# Industry Loss Ratios Totals

(All Companies – NAIC Experience Exhibit 2007)

<b>Duration</b>	<b>Earned Premium</b>	<b>Loss Ratio</b>
<b>0</b>	<b>\$ 6,965,296,589</b>	<b>9.6%</b>
<b>1</b>	<b>\$ 10,783,985,663</b>	<b>13.3%</b>
<b>2</b>	<b>\$ 9,036,085,383</b>	<b>18.8%</b>
<b>3</b>	<b>\$ 7,759,593,323</b>	<b>25.2%</b>
<b>4</b>	<b>\$ 6,655,641,689</b>	<b>32.4%</b>
<b>5 to 9</b>	<b>\$ 18,227,423,795</b>	<b>53.2%</b>
<b>10+</b>	<b>\$ 5,385,502,332</b>	<b>106.8%</b>
<b>Total</b>	<b>\$ 64,813,528,774</b>	<b>36.1%</b>

# LifeCare Loss Ratios Totals

(All LifeCare Companies Combined – Through 2007)

<b>Duration</b>	<b>Earned Premium</b>	<b>Loss Ratio</b>
<b>0</b>	<b>\$ 395,497,788</b>	<b>1.3%</b>
<b>1</b>	<b>\$ 512,154,473</b>	<b>2.9%</b>
<b>2</b>	<b>\$ 414,848,225</b>	<b>5.9%</b>
<b>3</b>	<b>\$ 332,718,908</b>	<b>7.4%</b>
<b>4</b>	<b>\$ 268,009,532</b>	<b>13.1%</b>
<b>5 to 9</b>	<b>\$ 606,639,959</b>	<b>27.9%</b>
<b>10+</b>	<b>\$ 55,704,132</b>	<b>117.2%</b>
<b>Total</b>	<b>\$ 2,585,573,015</b>	<b>13.1%</b>

# Tough/Moderate/Liberal LifeCare L/R

(Broker World Survey July 2004)

<b>Duration</b>	<b>Tough 15 Insurers</b>	<b>Moderate 14 Insurers</b>	<b>Liberal 6 Insurers</b>	<b>LifeCare</b>
0	7.5%	8.5%	37.1%	1.2%
1	9.3%	15.1%	31.5%	3.2%
2	15.4%	22.1%	41.2%	6.3%
3	20.2%	31.0%	50.1%	7.0%
4	24.9%	41.0%	53.0%	13.6%
5-9	36.1%	64.0%	73.1%	27.6%
10+	92.9%	106.4%	113.8%	109.5%
<b>Total</b>	<b>21.7%</b>	<b>34.9%</b>	<b>50.7%</b>	<b>9.4%</b>

# 2007 NAIC Experience Exhibit B

Company Group	Earned Premium	Loss Ratio	# of Lives
Conseco Group	16,975,272,271	57.5	557,687
Genworth Group	15,561,737,913	37.7	1,027,219
John Hancock Group	11,459,887,963	32.9	876,614
MetLife Group	10,568,553,384	28.2	680,389
C N A Group	8,268,915,896	37.1	474,737
AEGON Group	6,414,196,579	41.6	322,248
UNUM Group	5,345,698,786	22.1	849,712
Penn Treaty Group	4,610,568,409	55.0	137,780
Thrivent Financial Group	2,738,361,846	39.0	150,313
LifeCare Group	2,598,436,681	13.6	190,974
Mutual Protective Group	1,968,907,821	54.6	56,892
Mutual Of Omaha Group	1,458,977,420	35.9	89,779
Aetna Life Ins Group	1,400,983,021	33.9	149,329
Prudential Ins Company of America Group	1,443,666,791	28.1	110,411
New York Life Ins Company Group	1,107,416,179	27.3	100,777
<b>Total of above 16 companies</b>	<b>91,921,580,960</b>	<b>39.2</b>	<b>5,774,861</b>
<b>Total for all NAIC companies</b>	<b>110,220,654,000</b>	<b>38.7</b>	<b>7,029,995</b>

# Marketing Comparisons – Joint

(Broker World Survey July 2007)

<b>Joint Life w/o COLA Best Class (\$100/Day, Lifetime Ben., 90-Day Elim.)</b>						
		Classic	CC II	Value		
AGE	Assurity	G E	J H	MetLife	Pru	Unum
50	742	990	880	968	1,126	1,006
60	1,265	1,510	1,523	1,518	1,790	1,563
70	2,577	3,590	3,553	3,744	4,390	3,513
<b>Joint Life with COLA Best Class (\$100/Day, Lifetime Ben., 90-Day Elim.)</b>						
		Classic	Essential II	Value		
AGE	Assurity	G E	J H	MetLife	Pru	Unum
50	2,039	2,110	2,741	2,565	2,548	2,222
60	2,658	2,970	3,756	3,558	3,590	3,365
70	4,330	6,080	6,193	6,833	7,199	6,914

# Marketing Comparisons – Single

(Broker World Survey July 2007)

<b>Single Life w/o COLA Best Class (\$100/Day, Lifetime Ben., 90-Day Elim.)</b>						
		Classic	CC II	Value		
<b>AGE</b>	<b>Assurity</b>	<b>G E</b>	<b>J H</b>	<b>MetLife</b>	<b>Pru</b>	<b>Unum</b>
<b>50</b>	618	792	623	726	804	575
<b>60</b>	1,055	1,208	1,079	1,139	1,279	893
<b>70</b>	2,148	2,872	2,517	2,808	3,136	2,007
<b>Single Life with COLA Best Class (\$100/Day, Lifetime Ben., 90-Day Elim.)</b>						
		Classic	Essential II	Value		
<b>AGE</b>	<b>Assurity</b>	<b>G E</b>	<b>J H</b>	<b>MetLife</b>	<b>Pru</b>	<b>Unum</b>
<b>50</b>	1,699	1,688	1,942	1,924	1,820	1,270
<b>60</b>	2,215	2,376	2,661	2,669	2,565	1,923
<b>70</b>	3,608	4,864	4,387	5,125	5,142	3,961

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for more information.

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