



City of Seattle

Seattle Department of Human Resources

Kimberly Loving, Acting Director

August 23, 2021

**Special Enrollment
Ends at 5:00 pm on **Sept. 10****

Re: Make Your Long-Term Care Coverage Decision by Sept. 10

Dear City Employee:

The City of Seattle is offering active, regular and temporary employees and their spouses/domestic partners a one-time opportunity to enroll in Long-Term Care (LTC) insurance. The Special Enrollment begins at 8:00 am on Monday, August 23, and ends at 5:00 pm on Friday, September 10, 2021.

The City is offering access to the individual LTC plan through Chubb Insurance because a state-mandated 0.58% uncapped payroll tax for all employees in Washington is being implemented on 1/1/2022 to fund the Long-Term Services and Support Trust Program. (See www.wacaresfund.wa.gov/ for more information.) Employees can choose to pay the tax, or they can obtain an exception from the State by proving they have coverage through a qualified individual long-term care plan.

The City's individual plan through Chubb Insurance offers employees up to \$100,000 of fully portable Life and Long-Term Care insurance coverage without medical questions. Spouses and domestic partners can obtain up to \$50,000 of coverage subject to answering four medical questions. Check the website at www.benefitsquest.com/cos for more information about this one-time enrollment and rates.

Enrollment Considerations:

- Consult with your financial advisor if paying the payroll tax *or* electing an individual LTC plan is best for your financial situation.
- If you already have qualified individual LTC coverage – such as through prior City offerings with John Hancock and Prudential, or AARP, etc. – no action is required now.
- To elect the City-offered LTC plan, go to the Chubb insurance portal at www.benefitsquest.com/cos by 5:00 pm on September 10, 2021. See FAQs on pages 2 and 3.

For questions, please contact the Enrollment Center at **1-855-874-0308**. Customer Service representatives are available Monday through Friday from 8:00 am – 5:00 pm PST.

Sincerely,

Renee Freiboth
Benefits Manager

Seattle Human Resources

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Frequently Asked Questions – Long-Term Care Insurance

1. How does the individual LTC policy work?

Answer: One policy with two benefits – life insurance coverage for your family and long-term care benefits if you need them. Building a plan is simple:

- Choose a life insurance benefit up to \$100,000
- You can access 4% of the life benefit per month if you need LTC (i.e. \$100,000 of life = \$4,000 per month for LTC)
- The LTC benefit will keep paying up to 1x the life benefit (\$100,000 life benefit = \$100,000 total for LTC)

2. How do I use the benefits for long-term care?

Answer: If you are diagnosed with a cognitive impairment or cannot perform two of six activities of daily living (bathing, eating, transferring, toileting, continence, and dressing) and that condition is expected to last 90 days, you can withdraw funds from your death benefit. The policy is indemnity based (not reimbursement based) and pays the entire 4% of your death benefit each month regardless of cost of care or type of care (home health care, assisted living, adult day care, nursing facility).

3. If I use my Death Benefit for long-term care, but don't completely exhaust it – what happens?

Answer: If you use some, but not all of the benefits for LTC you would receive the remainder of the initial death benefit or 50% of the initial benefit, whichever is greater.

4. What happens if I stop paying my premium?

Answer: It depends. If you pay into your plan for more than 10 years, you will receive a reduced policy that you can take with you, but if you cancel before then, you will forfeit all premiums paid.

5. How much does it cost?

Answer: Your premium is based on how much death benefit you select, if you're a nicotine user or non-nicotine user, and your age based on the policy effective date. See rate comparisons at <https://www.benefitsquest.com/cos/plan-information-disclosures.html>.

6. Is there a medical screen or underwriting involved in obtaining coverage?

Answer: It depends, most employees will qualify for guaranteed acceptance – meaning no health questions during the special enrollment period. Those eligible for guaranteed acceptance include actively at work employees, regular and temporary working 80 hours a month, age 19-70. Coverage is also available for spouses/partners with limited health questions up to age 70.

7. How long does this policy last?

Answer: This policy is guaranteed to age 121.

8. What happens if I never use the policy for long-term care?

Answer: Upon death, your beneficiary would receive the full amount of in-force death benefit.

9. How long do my Long-Term Care benefits last?

Answer: Long-term care benefits can last for up to a total of 25 months at a 4% per month withdrawal rate from your death benefit.

10. What happens if I use all my life insurance benefit for long-term care?

Answer: Your policy contains a feature called Restoration of Benefits, which replenishes your death benefit to 50% if used for long-term care.

11. Can I get coverage for my spouse/domestic partner?

Answer: Coverage is available for spouses/domestic partners, however, coverage amounts and underwriting may vary.

12. Are my premiums guaranteed?

Answer: Life insurance premiums are guaranteed. A portion of the premium is for the long-term care benefit. That portion may increase overtime with regulatory approval, however; they cannot single out an individual for a rate increase.

13. How do I pay my premium?

Answer: When you sign up or enroll for the policy it will ask for a form of payment that can be either ACH or Credit Card. You will enter the information, and CHUBB will bill you on a monthly basis for the policy.

14. How do I enroll?

Answer: Starting Monday, August 23, through 5:00 pm on Friday, September 10 you can enroll online www.benefitsquest.com/cos or contact Enrollment Counselors for assistance at 855-874-0308.

15. What if I leave my employer or retire?

Answer: This policy is completely portable – meaning you take the coverage with you with if you were to change jobs or retire from your current employer.

16. Can my benefits ever decrease?

Answer: Based on current interest rate assumptions the death benefit is designed to remain level through age 120 and fully paid up at age 100. In the event of a long-term decline in interest rates, your coverage does contain a guarantee ensuring that the initial death benefit will last for the longer of 25 years or to age 70 and thereafter can never be less than 50% of your initial death benefit.