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Ohio Long Term Care Brokers

The Corporation for Certification in Long Term Care is Coming to Town!!
See page two for more information.

LTC News

Annual Reviews Remain A Solid Sales Tool, Advisor Says *By Trevor Thomas*

Education is the key to increasing long term care insurance sales during the current slump, and the annual client review is an important educational tool, says Linda Clark. Not incidentally, it's also an important way for a producer to build the client's trust, she adds.

Clark, a certified senior advisor, runs Secure Life Strategies, Hinsdale, Ill.

An annual review is a formal assessment of all of the client's financial plans and strategies. Aside from providing opportunities for cross-selling products like LTC insurance, it helps raise the client's confidence in the agent.

"The annual review is important to the client's realization that there's someone who's looking out for their best interests. That's how you keep them as a client," says Clark.

It's also an opportunity to ask the client about what changes they've had in their life over the past year that the financial advisor should be aware of. The close of the review is also an excellent time to remind the client that LTC insurance is an important consideration in financial planning, if the client has not purchased it already.

"A lot of times, especially with older clients, they don't tell you everything about their finances when you first start doing business with them," Clark notes. "The more you get to know them, the more you find out–such as assets they've been sitting on in a bank CD that could be part of an annuity. The more they trust you, the more they tell you."

Reproduced from National Underwriter LTC e-Wire 12/15/2004

Inside this issue:

Is Your Client Being Pulled Apart?

There is a club in our culture that is filled with anxious members. It's called the "Sandwich Generation". Many of you have probably heard of the phrase, seen the effects on friends; maybe you've even endured membership yourself.

Take an overall inventory of your clients during your annual reviews. Do they seem stressed? Are they pouring time, money, and energy into the generation above and the generation below at the same time? You may have a member of the Sandwich Generation in front of you. They are facing caring for aging parents or grandparents while raising their own family and children–possibly their grandchildren!

These clients have unique planning needs and are already recognizing the need for LTCI in their future. Start positioning your clients' assets now so they can leverage pennies for dollars of coverage in the near future. Feel free to contact us for creative solutions to your clients' needs.

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Elder Care Planning Tips— *Peace of Mind*

Below we have compiled 10 eldercare planning tips as a place for you and your clients to start. Take time to prepare for this part of your life as though an eldercare storm is already on the horizon. Your clients will be thankful you developed a plan that will keep their families together in the midst of the storm.

1.) Develop a long-term housing plan. Hold a family meeting and discuss current lifestyle preferences and long-range living accommodations.

2.) Complete a medical, financial, and legal inventory. List names, numbers, and locations of all legal documents and financial account information, along with contact information for all professional relationships, such as doctors, financial planners, insurance agents, attorneys, accountants, etc.

3.) Make sure legal documents are in order and readily available.

4.) Complete a caregiver resource inventory listing of family, friends, neighbors, social and religious organizations, and professional medical help.

5.) Transfer long-term risk to a long-term care insurance policy. An LTCI policy can relieve some financial pressures so families can focus on arranging the best possible care for their loved ones.

6.) Look for community resources that can provide relief to caregivers.

7.) Define emergency contact roles and maintain open communication within the family.

8.) Know when it is time to intervene. Look for anything that may be out of the ordinary from financial, to behavior, to physical changes.

9.) Start with a doctor. Get diagnosis for any potential physical or cognitive impairment.

10.) "Senior proof " your house. Closely monitor interior and exterior areas for safety concerns.

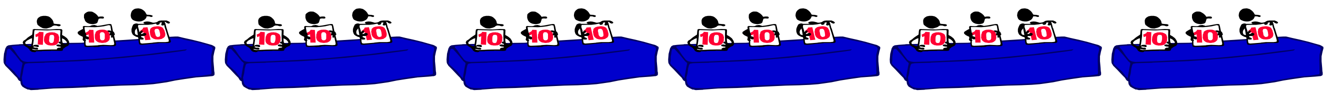
I am pleased to let you all know that The Corporation for Long-Term Care Certification is coming to town!

The CLTC is a third party designation program that was spearheaded by Attorney Harley Gordon, a founding member of the National Academy of Elder Law Attorneys. Offered in a correspondence format or the two day classroom format, the CLTC designation is gaining recognition in the industry. The course is a great way to get a handle on the financial, legal, emotional, and political issues surrounding LTCI. Moreover, the class covers many aspects of Medicare and will help prepare you to properly educate your clients. I can not recommend this course *enough*. June local classroom dates and times are listed here. For more information, including more class locations, fees and discounts, please contact the CLTCC at 877-771-2582 or visit them on the web at www.ltc-cltc.com . ~ Laura

Upcoming Local CLTC Classes

June 14 & 15, 2005
MetLife Building
9797 Springboro Pike
Miamisburg, OH 45342
Instructor: Harley Gordon

June 28 & 29, 2005
Bryant & Stratton College
12955 Snow Rd
Parma, OH 44130
Instructor: B & S Trainer



10-Pay Has Wide Appeal To Boomers

By Trevor Thomas

Many boomers realize that long term care is a big gap in their retirement planning. One of their biggest concerns is: How do you pay premiums after you retire?

That's why 10-pay plans appeal to many clients in the boomer generation, producers say. These policies let them provide for future LTCI needs while they are still in their peak earning years.

Not everyone will be able to afford the 10-pay plan option, however. Because it can be tough to find the money to pay annual premiums of $2,000, $3,000 or more, many agents see 10-pay as a product most suitable for the business marketplace.

The private marketplace does not offer that many customers for 10-pay policies, says Walter J. Robinson, director-LTC sales at Cipco Booth Financial Associates Inc., Norwalk, Conn.

Still, he notes, many boomers have reached the point where they can afford it, if the agent is mindful 10-pay is appropriate only for the consumer who has a strong income stream.

For the most part, however, it's the business market that offers the most promise.

"10-pay has seen a sales increase primarily with high-income, self-employed professionals," agrees Kevin J. Johnson, president, New York Long Term Care Brokers Ltd., Clifton Park, N.Y.

The best prospects, Johnson finds, are business owners looking to maximize deductions, particularly C corporation owners.

Unlike sole proprietorships or other forms of business where business income is reported on the individual's personal income tax statement, C corporations allow the owner to take the money spent on LTC insurance out of the company's retained earnings.

Another big advantage: Policy owners lock in premiums for at least a good part of the 10-year period, Johnson points out.

"For people who have ample disposable income, it makes all the sense in the world," he says. "And today, many of the newer plans offer return of premium upon death, so there's a triple benefit there."

For many boomers under age 55, he notes, the "to 65" plans now offered by some carriers can be a good alternative to 10-pay. These policies, which are paid up by the time the client hits age 65, offer slightly cheaper premiums.

Johnson estimates that 10-pay policies will account for about 5% of his LTCI sales this year and could grow to 10% or 15% next year.

Claude Thau, president of Thau Inc., Overland Park, Kan., also has seen significant growth in 10-pay, primarily in the executive carveout market.

"In any entity that has its own separate tax return, the entire cost of the LTC premium is tax deductible," he points out.

"So, 10-pay is highly attractive. A 10-pay program protects your entire retirement cash flow and also benefits you because you know that after 10 years, you won't have to pay premium increases. Even if the premium were raised after 7 payments, you'd still have only 3 more years to pay it up."

10-pay can be especially attractive to boomers because often these are people who do not qualify for medical expense deductions due to their high income and the 7.5% of income exemption for medical expenses, Thau observes.

"These are the people who need to buy LTC insurance through their business or convince their employers to buy it for them," he adds.

Typical policies Thau sells include a 5% annual inflation figure, lifetime benefits, full home health care coverage and an elimination period that varies according to the individual's preferences.

Indemnity plans also are growing in popularity, because they allow beneficiaries to pay family care givers directly, Thau says.

Johnson says the key to sales growth in 10-pay is to make a point of talking to boomer clients who have the income to support it. "Bring it to people's attention as an alternative to paying long term care premiums for the rest of their lives," he advises.