



New Address:
 19220 Lorain Rd. Suite 202
 Cleveland, OH 44126
SAME PHONE NUMBERS!

LTC News

INSIDE THIS ISSUE:

We're Moving	1
Enhance Business Relations	1
Increasing LTCI Affordability	1
LTCI Producer Tip	
High Net Worth LTCI	2
MedAmerica LTCI	2

Enhance Business Relations With Long Term Care Insurance Solutions by Ken Schulman

Producers who understand how to successfully work with businesses can help enhance employee benefits and retain valuable employees, while maximizing personal effectiveness and value as financial professionals. One of the greatest opportunities today involves working with local market enterprisers and professional service practices to propose solutions for funding long term care. A great place to start is with owners, partners, and or key executives.

While long term care insurance is not new, many individuals may not be looking to address needs until they retire. The number of Americans who have purchased long term care insurance has increased more than tenfold in the last 15 years, according to the Health Insurance Association of America. However, according to a Roper study released in May 2003 by the American Society on Aging, only 17% of those surveyed said they currently have insurance to cover the long term care costs, and only 37% have saved anything to cover these potential costs. This may help explain why 83 % of respondents to Mass Mutual's 2003 Benefits Barometer

Survey expect their long term care insurance sales activity to increase over the next five years and why many of these producers may introduce LTCI to clients in the near future. All things considered, the market for long term care insurance is virtually untapped and full of potential. What's more, access to even one business may represent a year's worth of work, not to mention opportunity to fill other gaps and short-falls.

Why should you present LTCI solutions specifically within businesses? For starters, if you do not, somebody else will. There is awareness of the need for LTCI , many stakeholders don't realize that there may be advantages to acquiring LTCI at work.

Worksite sales present a win-win situation for all parties. Producers gain access to multiple prospects and clients acquire coverage offered by their employers in convenient settings where discounts may apply to themselves and their families. About half of my agency's long term care insurance production in 2003 came from the business market.

Ohio Long Term Care Brokers

Denise Gott, MBA, CLTC
 President

David M. Miller, CLTC
 VP Sales & Training

Heather R. Green
 Manager of New Business

John Carney
 Sales, Columbus Office

**19220 Lorain Rd Ste 202
 Cleveland, OH 44143**

Ph: 440-461-5131
 Fax: 440-461-4503
 Toll Free: 800-461-2051

www.ohioltcbrokers.com
 Email: ohioltc@core.com

Call us for information on how we can help you add LTCI to your business!

Producer Tips

Ways to Increase LTCI Affordability

- **Get People to Buy Policies** in their 40's and early 50's
- **Use a Health Savings Account** in combination with a Limited Pay LTCI policy
- **Do Not Choose Survivorship** or restoration of benefits
- **Instead of Compound Inflation** choose one that has a higher level of daily benefits
- **Instead of Lifetime** choose a plan that pays for two to four years

LTC Planning for the High-Net Worth Client By Denise L. Gott, MBA, CLTC

One of the greatest misconceptions regarding the high net worth market is that long-term care insurance is not necessary. The high net worth client has amassed enough of a nest egg to carry them comfortably through their retirement – even if they need extended care at home or in a nursing facility. Professionals from CPA's to Attorneys to Chartered Financial Consultants dismiss the need for long term care insurance planning for high net worth clients because they can afford to “self-insure”.

The reality is that high net worth clients are often concerned about having enough assets to assure a comfortable standard of living during retirement. Quite often the wealthy client has planned, invested wisely and carefully used risk management to his or her advantage. The use of insurance has long assisted high net worth clients in amassing assets and transferring wealth to the next generation. All the more reason to consider long term care insurance as a risk management tool to protect assets from the exorbitant expenses associated with long-term care.

According to the 2004 Phoenix Wealth Survey, conducted by the Phoenix Companies, Inc., Hartford, Conn., 69% of respondents indicated that a primary concern is protection of lifestyle, and many of them are concerned about outliving their assets. Many high net worth clients expect to retire sooner than they had planned in prior years and still more expect to retire with 80% or more of their income during retirement. However, with life expectancies extending far beyond what Americans ever imagined, the threat of long-term care expenses could depreciate or completely deplete those assets.

The increased life expectancy, expectations of the coming wealth transfer and the stock market

volatility creates urgency for high net worth clients to be educated on the risks of long term care. A need for home care or nursing care for just an average of 2.6 years prior to retirement could alter the retirement timeline of a spouse by several years. Furthermore, during retirement, LTC needs can deplete assets and force clients to reduce their standard of living. All this because high net worth clients are not going to change their standard of living just because they need long term care. They will seek out the best care services – private duty nurses, top of the line home care services, assisted living facilities and the most sophisticated nursing homes. In many cases, lifestyles are altered only slightly by the need for long term care and many clients could continue to travel, maintain second homes and continue the lifestyle that they are accustomed to – if they plan ahead.

As advisors we have a responsibility to educate high net worth clients on the risks of long term care and show them the value of transferring some of this risk to an insurance policy that can be funded by returns generated by their existing assets. With the cost of long term care expected to triple in the next 20 years, the cost for 1 year of care in a prime quality nursing facility will exceed \$240,000. At that rate, even high net worth clients will quickly deplete assets. LTCI specialists can customize a long term care insurance plan that suits a high net worth client's personal financial situation. Wealthy clients understand risk transfer – helping them understand how long term care insurance can provide a tax-free pool of dollars to pay for care during retirement can provide a layer of protection for those retirement assets and provide peace of mind over a very common concern—*outliving assets*.

SIMPLICITY... MedAmerica LTCI

Due to the shrinking base of quality LTCI carriers on the market today, we have decided to add a new carrier to our mix of Multi-Life & Individual long term care products. MedAmerica's product, ***Simplicity*** is a PURE CASH Indemnity LTCI product that is *so simple—no bills, great flexibility, and amazingly few rules*. This product could *double as a Disability Income product* for your clients who cannot buy more disability income protection. **CALL US TODAY** for a brochure and additional details on this new INDEMNITY plan!