



LTC News

Underwriting Corner: Osteoporosis

By Debbie Kocsis

“Osteoporosis is a major cause of disability and death in the elderly.”

Osteoporosis is defined as a condition which is characterized by the progressive loss of bone density and thinning of bone tissue. It occurs when the body fails to form enough new bone or when too much of the old bone is reabsorbed by the body, or both. Usually, the loss occurs gradually over an extended period of time (years) and most of the time, a person will sustain a fracture before becoming aware that the disease is present.

There are many causes of osteoporosis, but hormone deficiencies are the leading cause. Women, especially over the age of 60, are the most frequent sufferers of the disease. Al-

though the risk factor for men contracting this disease is much lower than that of women, the risk is still there.

Osteoporosis is a major cause of disability and death in the elderly. For this reason, Long Term Care insurance companies look very closely at this disease. Most insurance companies do not look favorably on an individual that has experienced any fractures or compressions fractures as a result of osteoporosis. Insurance companies also determine the severity of the disease by studying an applicant's bone density scores, then make a decision as to whether offer coverage, either at a rated or

non-rated premium, or to decline coverage.

An insurance company may also take into consideration other factors when considering an applicant with osteoporosis. Those factors are lifestyle (activity level), the presence of pain, whether the applicant smokes and their age. When talking to an applicant who has osteoporosis, be sure to get as much information about their condition as you can. This will help in providing the applicant long term care coverage with a company that will look favorably at this condition.

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“Now hardly a day goes by without publication of an accurate presentation of the problem of LTC....”

The Dramatic Evolution of Long-Term Care Part 3

by George Sherman

Every aspect of LTC has changed over the last ten years. In the last issue we looked at the evolution of LTC products.

Agents and the public are more informed

As the years rolled by, the availability of educational resources available to agents has increased. This has resulted in a sales force better informed about LTC and the means to cover the risks. Several national seminar programs, managed by people with years of experience, now tour the country regularly. Quality publications comparing LTC insurance products are produced annually. States now require agents to regularly take CE courses specifically designed for LTC. I regularly attend training sessions, and I am continually impressed by the sophisticated questions and comments that I

hear from agents today. This was not the case ten years ago.

As agents have become more informed about LTC, so has the media and the public. Indeed, the general attitude of the media in the early years could be characterized by the periodic attacks waged by Consumer Reports magazine, typified by its cover page story on LTC insurance entitled "Gottcha!"

There was little coverage of LTC and LTC insurance by the media, and much of what was presented was biased against the industry and its products. That situation has improved considerably. As reporters have become more knowledgeable about LTC itself, their views of private insurance have moderated, and even become supportive. It used to be rare to come

across articles about LTC insurance in the local and national press. Now hardly a day goes by without publication of an accurate presentation of the problem of LTC and recommendation for LTC insurance.

The general public has also become more informed about the risks of LTC, and about the various options they have to cover those risks. When I sold LTC insurance in the late eighties, I often heard prospects say, "I didn't know you could even buy this kind of insurance." Today, agents tell me that they frequently encounter prospects who are knowledgeable about the details and premiums of several competing plans.

Look for Part 4 in the April issue of LTC News.

Source: www.mrltc.com

www.ohioltcbrokers.com

By Denise Gott

Technology is quickly becoming the means by which we most efficiently communicate and do business with our long-term care producers in the field. If you are currently or intend to do business with Ohio Long Term Care Brokers, please explore our website at www.ohioltcbrokers.com. Here you will find up to date information on long-term care issues, statistics, carrier information and much, much more. Below you will find a partial list of features on our website.

Quote Request Section where you can submit health information on your client and receive

up to three quotes from our top rated carriers within 24 hours.

Quarterly Client Newsletter is geared toward the consumer, helping them understand the risk of needing long term care and how they can adequately protect retirement assets, freedom of choice, and independence should the need for long-term care arise.

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“Here you will find up to date information on long-term care issues, statistics, carrier information, and much, much more.”

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Caregiving Costs Business

Workers caring for elderly relatives cost their employers as much as \$29 billion a year in lost productivity, an expense likely to grow as the population ages, researchers warned Wednesday.

The 14.4 million Americans who juggle jobs and care for the elderly often are late to work, leave early, or take long lunches to carry out their responsibilities. Ten percent ultimately quit their jobs, said a study based on the first national survey of caregivers in a decade.

The Study of Metropolitan Life Insurance was based on a national survey of caregivers car-

ried out by the National Alliance for Caregiving and the American Association of Retired Persons.

“We found that two out of three caregivers are employed and half said caregiving has all impact on their work,” said Joyce Ruddock, a gerontologist.

She noted that the costs associated with caregiving will rise dramatically as the population continues to age. The nation’s 76 million baby boomers will begin turning 65 in 2011.

“Businesses who turn their backs on family caregivers will pay a tremendous price,” said Ruddock, who helped present

the research to the U.S. Senate’s Special Committee on Aging on Tuesday.

Some companies are beginning to wake up to the need. Thirty percent of major U.S. employers now offer eldercare programs, up from 13 percent in 1991, according to a survey of 1,050 companies by Hewitt Associates.

The National Alliance for Caregiving survey- the first of its kind in a decade- found that more than 23 percent of U.S. households have caregivers, and 14.4 million caregivers work full or part time.

Source: www.carequestplus.com

“The nation’s 76 million baby boomers will begin turning 65 in 2011.”

The Uninsurable Spouse

By Bob Dittman, CLTC

Your case has been submitted for underwriting and one spouse is offered coverage and the other spouse is uninsurable. Here is a technique that we employ to get LTC insurance dollars to pay for the care of the uninsurable spouse.

Most often the insurable spouse is providing or will be providing free care to the uninsurable spouse. The question becomes what happens if the now insurable healthy spouse becomes ill? Not only will that spouse now need paid care but the formerly free care provided by that spouse must be replaced by paid care.

A technique to provide insurance dollars for the uninsurable

The problem is getting money into the household to pay for the care of both spouses.

The proper technique to solve this dilemma is to buy Long Term Care insurance on the healthy spouse. Ideally, we suggest doubling the daily benefit that they would purchase if both were healthy; however 1 ½ times the daily benefit is appropriate. Example: \$100 Daily Benefit on each life if both were insurable, now we purchase \$200 per day Daily Benefit on the healthy spouse. Here is the key to making this work- they must buy an Indemnity policy. An Indemnity policy pays the

amount of the benefit purchased regardless of the cost of care. When the insurable spouse triggers a benefit the full daily benefit is paid regardless of the cost of the healthy spouse care therefore with a doubled daily benefit enough money (\$200 per day) would be available for the care of both spouses.

Be careful using this technique because the maximum Daily Benefit that can be purchased without triggering an income tax issue is \$200 per day.

The financing of Long Term Care is too important for your client. Don’t fail to explore all the possible options.



“...what happens if the now insurable healthy spouse becomes ill?”