

From Main Street to Wall Street

*An Insider's View of Opinions Shaping The
World of Long-Term Care Planning*

Course # 287270 Provider #20643

For Agent Training Only

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BARRY J. FISHER INSURANCE MARKETING



Today's Conversation

- ▶ **Reality and opportunity**
 - *Operating in reality = EMPOWERMENT*
 - THE ELEPHANTS in the room
 - *Rethinking your value proposition to clients & prospects*
- ▶ **Pressure on the insurance industry**
 - *Long-term care and Life*
- ▶ **What are consumers thinking and worried about?**
- ▶ **Power of tax-free benefits & tax deductible premiums**
- ▶ **Multi-life (small group) long-term care insurance**
 - *A most powerful tool!*
- ▶ **Non-CE Stuff – Important info you need to know!**

Elephants In The Room

Debt Ceiling

Public
Debt

Entitlements



Next
Election

Euro
Breakdown

0% Interest

Demographic
Shifts

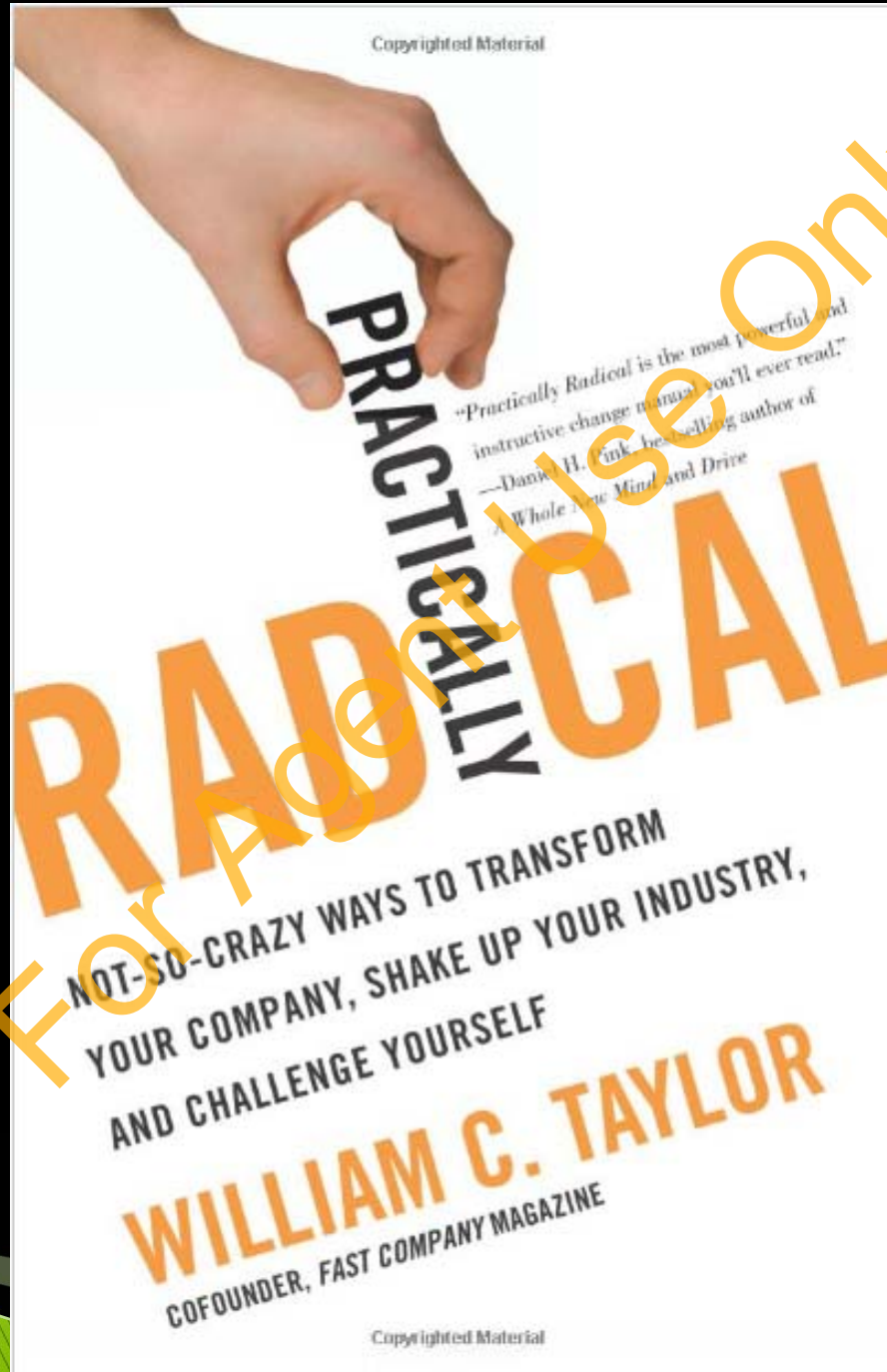
Public & Private
Pensions

ObamaCare

It's Important to Re-Think

Apple

“Problems cannot be solved at the same level of awareness that created them.”
Albert Einstein



Amazon

“If all you ever do is all you’ve ever done, then all you’ll ever get is all you ever got.”
Unknown Texan Genius

Shrinking World of LTCi

Friday, March 9, 2012 04:05:00 PM New York NY 401174

THE WALL STREET JOURNAL | WEEKEND INVESTOR

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Family Finance | Investing | Retirement Planning | Taxes | Columns & Blogs

TOP STORIES IN Personal Finance

Countdown to a Tax Hike

Should You Wade With a Windfall?

WEEKEND INVESTOR | March 9, 2012, 8:06 a.m. ET

Long-Term Care: What Now?

Article | Stock Quotes | Comments (71)

Prudential Financial plans to gutting applications as of March 30 for individual long-term-care policies.

Interest rates, the insurer plans to continue offering group long-term-care coverage through employers.

People typically buy long-term-care coverage in their 50s or early 60s and often pay premiums for 20 or 30 years before making a claim. Insurers build reserves for paying those claims through investment income, mainly from high-quality bonds.

Now, with such bonds offering low yields and aging policyholders making more claims, insurers are halting sales, asking state regulators for permission to raise rates for existing policyholders, or both.

What You Get

Long-term-care benefits based on a \$150 daily benefit, three-year benefit period, discounts for good health and being married, and 3% compound inflation protection.

Premiums collected for policies sold in 2011 increased 4% from 2010, even as the number of buyers dropped 2% to 230,000, according to LIMRA. Coverage costs about \$2,250 a year on average for a 55-year-old couple or \$4,660 a year for a 65-year-old couple, according to the American Association for Long-Term Care Insurance.

- ▶ CNA
- ▶ Lincoln Benefit
- ▶ Allianz
- ▶ Guardian
- ▶ Minnesota Mutual
- ▶ MetLife
- ▶ CUNA
- ▶ UNUM
- ▶ Prudential
- ▶ American General

For Agent Use Only
All Gone!



Leading LTCi Actuary

- ▶ Look for more carriers to exit traditional market
- ▶ Expect more in-force rate increases
 - *Insurance commissioners are not happy*
 - *Expect more rate stabilization efforts nationally*
 - *More upward pressure on new business premiums*
- ▶ Non-traditional product growth
 - *Simple acceleration riders on life insurance*
 - *TLC/MoneyGuard single premium type plans*
- ▶ Interest rate environment is stalling annuity hybrids

Society of Actuaries

“Risk is Opportunity”

National Conversation on Long-Term Care Financing

- ▶ **Products with less benefits**
 - *Co-pays, cheaper inflation options, fewer ancillary benefits*
 - Regulators are resistant to this
- ▶ **Paying for independent providers and family**
 - *California has always led the way in this area*
 - Many states still require various levels of licensing, certification
- ▶ **Genetic testing?**
 - *Genworth will ask family history with new products*
- ▶ **Public/private partnerships**
 - *CLASS may be dead but many still think the government has an important role*
 - France & Japan have “robust” public programs

Here's What I Do Know

- ▶ **In 2010 the 10 leading insurers paid \$10.8 million in claims DAILY**
 - *53 increase over 2007*
 - *Average number of claimants during 30 day period = 135,000*
 - American Association for Long-Term Care Insurance 2011 Claims Study
- ▶ **High level of consumer satisfaction with claims payment and assistance from carriers**
 - *U.S. Department of HHS – Long-Term Care Policy Study (2010)*
 - Blind review of claims, conducted by independent auditors, concluded that the “independents” would have approved 5% fewer claims than insurance companies
 - 100% of eligible claims were paid
 - Claims denied due to basic lack of eligibility for various reasons including; EP not met, clinical criteria of policy, provider eligibility and lack of documentation
- ▶ **Total value of a single person's claims still being paid during 2011**
 - *Top six companies*
 - Male -- \$495,500 to \$1,200,000
 - 2 above \$1,000,000
 - Female -- \$616,700 to \$1,700,000
 - 3 above \$1,000,000



Here's What I Do Know

- ▶ **Claims are being paid by companies with frozen blocks of business**
 - *Even one company that's in receivership*
- ▶ **Rate increases primarily on policies issued prior to 1999**
 - *Not necessarily a claims issue*
- ▶ **New rates utilizing extremely conservative assumptions**
 - *Low assumed interest rates for 30 years*
 - *Low lapse rate assumptions*
- ▶ **NAIC and states moving toughening rate stabilization rules**
 - *California just passed AB 999 (Yamada)*
- ▶ **When rates do increase client cannot purchase a new policy with the same benefits for less**
 - *Who knows if they'll even qualify in the future!*

Our Opportunity

AS WELL AS YOUR CLIENTS!

In the foreseeable future, the traditional LTCi products we sell *today* will:

- ▶ **NEVER BE LESS EXPENSIVE IN REAL TERMS**
- ▶ **WILL INHERITANTLY BECOME MORE VALUABLE**
- ▶ **UNDERWRITING WILL NEVER BE BETTER**

Your clients are not getting any younger or healthier!

Unique to LTCi?

“The Canary In The Coal Mine”



“The problem with LTCi is that it’s an A&H product that is reserved for like life insurance.”

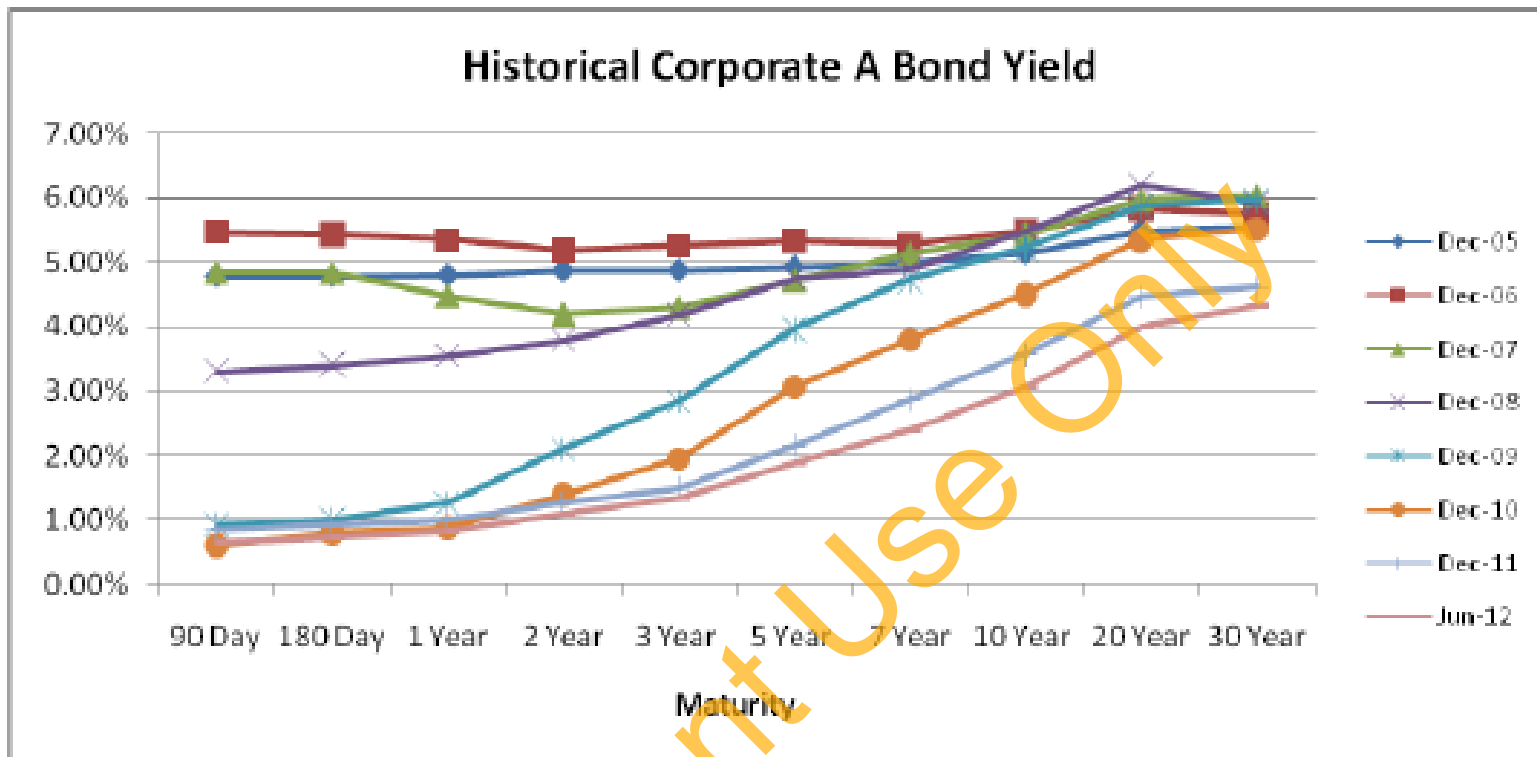
Carrier Gov’t Affairs Insider

The Heat Is On Term Life Insurance

Here, the Carriers Can't Leave But

- ▶ Term life pricing follows LTCi lead
 - *Premium increases are now ongoing in term life*
- ▶ Higher rates
 - *No one wants to be the cheapest*
- ▶ Tougher underwriting
- ▶ Product withdrawals and repricing
- ▶ Driven by “the investment environment ... today's yields ... investment returns critical to pricing”
 - *Frank Gencarelli, SVP Sales & Marketing*
 - Legal & General (Banner Life)

THE PICTURE TELLS THE STORY: INVESTMENT YIELD HISTORY



This chart shows investment yield curves. They show yields on corporate bonds, selling at par. On the left are yields for the shortest investments. To the right are yields on the longest, 20 and 30 year investments. Though yields at the short end of the curve have been low for some time, the more recent fall in longer-duration yields is an indication of diminished confidence by the market that rates will rise.

Many experts describe the current interest rate environment as the most challenging they've ever faced, and the future interest rate environment as the most uncertain. Though most believe interest rates will eventually rise, no one knows when, and there are forces (such as Operation Twist) external to the natural market keeping them down. Surely, no one can guarantee today's prices through a "Japan scenario."

Impact on Main Street

Marc Faber, PhD Economics
Gloom, Boom, Doom Financial Newsletter

- ▶ **Money on deposit experiences negative interest rates in real terms**
 - *Low interest rates adjusted for cost-of-living increases*
 - *Driven by the Federal Reserve's artificially low interest rates*
- ▶ **Promised government retiree benefits unlikely (in real terms) due to rapid growth in 65+ population**
 - *Look at European demographics (birth rates)*
- ▶ **State & private pension funds are seriously underfunded**
 - *In 2011 the underfunded levels of S & P 500 companies' defined pensions reached and epic \$354.7 billion*
 - *Total unfunded liabilities for private & public estimated between \$1 and \$2 trillion*

Just 40% Expect to Get Full Social Security Benefits

46% Think Their Pay Will Be The Same A Year From Now

Just 16% See A Better Future for Today's Children

Rasmussen Consumer Index

54% Say The Economy Is Getting Worse



Consumer Mindset - 55+

Retirement 3.0 Sun Financial Group

- ▶ Many have not recovered from recession
- ▶ Plan to work "in some manner" five more years
 - *Age 64 Vs. Age 69*
- ▶ Expect less government help
- ▶ Financial peace of mind 6x more important than accumulating wealth
 - *Protecting assets is 5x more important than higher returns*
- ▶ 49% expect to provide financial help to families
- ▶ Top longevity worries
 - *73% -- Serious health problems*
 - *59% -- Being a burden on family*
 - *49% -- Running out of money to live comfortably*

**LTCi Can
Mitigate These
Concerns**

Consumer Mindset - 55+

Retirement 3.0 Sun Financial Group

- ▶ People seek financial solutions that won't lose value and can help their money go the distance
- ▶ The "ideal" retirement investments or insurance
 - 65% -- *Guaranteed not to lose value*
 - 60% -- *Protects income from market loss*
 - 60% -- *Covers the cost of long-term care*
- ▶ The "ideal" financial advisor
 - 77% -- *Speaks in terms client understands*
 - 75% -- *Listens and understands what's important to client*
 - 72% -- *Protects client from major risk*
- ▶ Planners Vs. Deniers (my terms)
 - *Ageless Explorers*
 - *Cautiously Contents*
 - *Lives for Todays*
 - *Worried Strugglers*

Consumers are Concerned

AgeWave.com & Genworth Financial 2010

- ▶ People are over five times more worried about being a burden on their family than dying
- ▶ *Uninsured medical expenses are the top financial worry among men and women age 55+*
- ▶ Almost two-thirds of people will actually need some long term care, such as home care, assisted living, or nursing home care, after they reach age 65, but only 35% of people believe they will need such care
- ▶ *People rank Alzheimer's as their single greatest fear among disabling diseases in later life*
- ▶ People greatly underestimate the financial, social, and lifestyle impact of caregiving responsibilities
- ▶ *When someone needs long term care, a wide circle of primary caregivers, secondary caregivers, other family, friends, and community members often provide the care and are impacted by the responsibilities*
- ▶ When asked what is most worrisome about being burdens on their family, people told us they are most concerned about protecting their families from the financial pressures of providing for their long term care.

Position LTCi as A Stealth Asset



**Long-Term Care Planning
Is Part of The Calculus of
Retirement Planning**



How Do Clients with Income & Assets Pay for LTC?

▶ Savings & investments

- *How much does someone have to earn to put \$1 in?*
 - Federal & State Income Tax (can be 50%+)
 - Payroll and other extraneous taxes
- *How much does it cost to get the money out?*
 - Depends on sort of investment
 - Erosion of assets due to inflation (Faber)
 - Maybe investments didn't work out or timing is bad
 - Loss of income (cash flow) when assets are liquidated

▶ Qualified Funds

- *No income tax, in means income tax coming out possibly at higher rates*

▶ Real Estate

- *How easy is it to sell, refinance or leverage during tough economic times?*

Economic Impact of Asset Liquidation for LTC

SHRINKAGE

Due To
Bad Markets
Taxes
Loss of Income

The Logical Solution =
Long-Term Care Insurance



Power of Tax-Free Benefits

In Long-Term Care Planning

- ▶ 100% of every policy benefit dollar goes to pay for the cost of services
 - *There's NO SHRINKAGE!*
- ▶ Premiums paid in today's dollars, (as opposed to asset liquidation tomorrow), purchase 100% dollars often indexed in some fashion for inflation
- ▶ Tax-Free long-term care benefits mean:
 - *Well spouse's lifestyle won't be economically impacted by a caregiving event*
 - *Family members can focus on care as opposed to making diminishing ends meet*
 - *Family members can "keep their day job"*
 - *Estate planning goals can be achieved*

Who Is Our Client?

- ▶ **People with assets (High Net Worth Individuals)**
 - *How liquid will they be when they need care?*
 - Real property
 - Value in their business
 - Qualified plans – IRA's, 401(k), pensions, etc.
 - Savings & investments
- ▶ **Generally ages 50 to 65 and in reasonably good health**
 - *Average age of issue for traditional LTCi = 56*
 - *Average age of issue for linked (life/annuity hybrids) = 66*
- ▶ **Planners not Deniers**
 - *Value comprehensive coverage, tax-free benefits and understand the value proposition of long-term care insurance because someone explained it*
- ▶ **\$3,000 to \$5,000 per person premium won't change lifestyle**

Eleven Words To Long Term Care Sales Success

Have you taken
care of your
long-term care
planning yet?



FOR AGENT USE ONLY

Long-Term Care Planning

Simple Elevator Talk



- ▶ It is very likely that you will live a long life
 - *The longer you live the longer you'll live!*
- ▶ It is very likely that you will need long-term care
 - *According to the Federal Government, once you pass age 65, the likelihood of needing care increases to 70%*
- ▶ It will be very expensive and the cost today is not your problem
 - *It is the inflated cost sometime in the future – 20 or 30 years from now that you need to plan ahead for*
- ▶ **YOUR CHOICES ARE CRYSTAL CLEAR**
 - *You will pay out of your after-tax hard earned savings & retirement money*
 - *You will become a ward of the state*
 - *Or you can transfer the risk to an insurance company*
- ▶ You take the risk or let the insurance company do it!

LTC Cost “Formula”

How Much Coverage Is Needed

- ▶ **What is the cost of care in your region today?**
 - *Genworth or John Hancock Cost of Care Surveys*
 - *Online & Ipad Apps*
- ▶ **How old are you today?**
- ▶ **When are you likely to need care?**
 - *Age of claim incidence is falling due to better home care coverage*
 - *Ages 79 thru age 85 is a good target*
- ▶ **What is the long-term care rate of inflation?**
 - *Historically two times consumer price inflation*
 - *Encourage purchase of 5% compound inflation protection NOW!*
 - *Product re-pricing will encourage 3% compound or 5% simple*
- ▶ **How long does the typical claim last?**
 - *98% of claims close in 5 years or less*
 - *Most plans sold today in the 4 to 6 year benefit period*
 - *Ultimately, it's all about the POOL OF MONEY!*

BJFIM Pool of Money Advantage

Five Minute Long-Term Care Presentation

Planning for Long-Term Care Expenses

An illustration to help you understand several options for creating an "expense account" to protect your retirement income and assets

Client Name: Confidential Client Age 59			
Planning Scenario	A	B	C
Your Current Age	59	59	59
Projected age when care begins	81	81	81
If you want an insurance company to pay:			
Up to this amount, if care begins today	\$200/Day	\$200/Day	\$200/Day
For up to minimum covered years *1	3.00 Years	4.00 Years	6.00 Years
LTC Expense Account available today *2	\$219,000	\$292,000	\$438,000
Inflation protection built into coverage	5% Compound	5% Compound	5% Compound
Benefit, if care begins at projected age	\$585/Day	\$585/Day	\$585/Day
Future Expense Account available at projected age *3	\$673,198	\$920,401	\$1,452,508
Premium	\$2,700	\$2,900	\$3,600
Premium Duration	Annual	Annual	Annual
If you decide to pay for care yourself:			
To have the same expense account at projected age (assuming this annual after-tax rate of return)			
	4%	4%	4%
You would need to invest this lump sum today	\$262,429	\$351,592	\$532,500
or invest this much each year until the projected age	\$17,461	\$23,394	\$35,431
If you invest the premium until projected age			
	\$2,700	\$2,900	\$3,600
You will invest this much	\$59,400	\$63,800	\$79,200
Total value of this fund (if grows at above annual rate)	\$96,168	\$103,292	\$128,224
Projected days of care covered by this fund*4	164	177	219
Compared to days of care covered by insurance	1095	1460	2190

*Notes: See attached Explanation of Key Assumptions and Projections. This illustration is a sample of potential insurance value versus self-funding, and may not reflect the total actual expenses of your long-term care (LTC). It excludes any co-payments or self-funded care not covered by the policy or investment fund illustrated. Upon request, your advisor will provide you reports projecting various scenarios of care cost greater than amounts illustrated above.

Acknowledgement of Review

I acknowledge that this report has been explained to me. I understand I can choose to; (1) create a LTC expense account paid for by an insurance company, or (2) pay for any long-term care myself,

I (circle one) ELECT TO / ELECT NOT TO apply for long-term care coverage at this time. I (circle one) WOULD LIKE / WOULD NOT LIKE a follow-up no later than _____ fill in date, if applicable).

Signed _____ Dated _____

The financial calculators and reports are for illustration purposes only and projections of hypothetical situations. They are not intended to be financial, tax, or legal advice, nor are they an illustration of any specific product or contract.



Tax Deductibility Disclaimer

We Are Not CPAs

We Are Not Giving
Tax Advice

Check With Your
Tax Professional



Tax Qualified Long-Term Care Insurance

Tax-Free Benefits

- ▶ Policies that reimburse for incurred cost of qualified long-term care services are 100% tax free
- ▶ Policies that pay regardless of incurred expenses are 100% tax-free up to a daily per diem limit of \$320 (2013)
 - *Amount indexed annually by about 4% - 5%*
 - *Amounts in excess of \$116,800 per year will be taxed as ordinary income unless justified by incurred expenses*
 - Per diem and Cash Benefits (Indemnity)

Tax Deductibility Overview

QLTCi Targets of Opportunity

- ▶ Individual tax deductibility is limited to non-existent
- ▶ Owners of Health Savings Accounts can use pre-tax dollars to pay some or all of their QLTCi premiums
 - *Subject to penalties if you exceed age banded limits*
- ▶ Owners of S-Corp, LLCs, Sole Proprietors, Partners can or will deduct QLTCi premiums as A & H insurance
 - *Subject age banded limits or risk tolerance of CPA/client*
- ▶ Stockholder-employees of C-Corp deduct 100% of QLTCi premiums
 - *Carve-out on rational class based on employment status*
- ▶ QLTCi premium paid for employee are 100% deductible

Benefits are always tax free

Health Savings Accounts

- ▶ Taxpayer can access funds in an HSA up to the age-banded limits:
- ▶ **2013 maximum deductions** (indexed annually by @ 4% - 5%)
 - *Age 40 or less* \$ 360
 - *Ages 40 to 50* \$ 680
 - *Ages 50 to 60* \$1,360
 - *Ages 60 to 70* \$3,640
 - *Age 70 +* \$4,450
- ▶ Amounts in excess would be subject to HSA penalties

Employee Benefits

- ▶ **Premiums for QLTCi paid by an employer for an employee are deductible as A & H insurance**
 - *IRC Sec. 7702B(a)(3)*
 - No Sec. 125 or Flexible Spending arrangements
- ▶ **Benefits received are not taxed as income**
 - *IRC Sec. 105(b)*
 - Accident & Health Insurance NOT Disability Insurance
- ▶ **Can “discriminate” (or be selective) of employees**
 - *Salaried employee who does not own more than 2% of the company (IRC Sec. 105(h)) – 2%+ = Owners, Stockholder-Employees*
- ▶ **Stockholder-Employees must be careful!**
 - *The IRS can challenge tax benefits claimed under a plan that covers only stockholder-employees on the grounds that the plan is not for employees*
 - *MUST establish a class of employees that can be rationally segregated from other employees other than their status as stockholders*
 - Job title or description, salaried vs. hourly, etc. etc.

Business Entities

C-Corporations

Stockholder-Employees of C-Corporations ARE EMPLOYEES

Premiums are 100% Deductible

Don't Forget To Create CLASS

S-Corporations & LLC's

Stockholders ARE OWNERS

Partnerships & Sole-Proprietors

Owners ARE OWNERS

Premium Deductibility NOT Subject to 10% AGI Rule

Limited by Age Banded Annually Indexed Amounts

S-Corp, LLC, Sole Proprietors

Theory & Practice

- ▶ **We are not CPAs, tax professionals or purport to give tax advice**
- ▶ In theory, owners of S-Corporations, LLCs, Sole Proprietors & Partnerships benefit from deductibility to the extent that their premiums fall within limits published annually in IRC Sec. 213(d)(10)
 - **2013 maximum deductions** (indexed annually by @ 4% - 5%)

• Age 40 or less	\$ 360
• Ages 40 to 50	\$ 680
• Ages 50 to 60	\$1,360
• Ages 60 to 70	\$3,640
• Age 70 +	\$4,450
- ▶ The Client & CPA may decide to play by the rules
 - *Premiums may get listed as employee or officer "health benefits"*
 - *Buried under "insurance" line under deductions*
- ▶ Don't get bogged down on this!
 - *Premiums for business owners either wholly or partially deductible*
 - *Benefits are always tax free*

Supporting You!

- ▶ **BJFIM team has been in the LTCi small business marketplace for 20-years**
- ▶ **High level support for our brokers**
 - *Tax Facts back-up*
 - *Sample Corporate Resolutions*
 - *Consumer compliant tax guides*
 - *Conference calls/web meetings with tax advisors & clients*
 - Face-to-Face meetings when called for
- ▶ **Shortest distance between you and long-term care insurance sales success is the executive carve-out sale**

**Simplified Business Owner
Sales with
Small Group
(Multi-Life)
Long-Term Care Insurance**

For Agents Use Only

Key Features of Multi-Life

Small Group Long-Term Care Insurance

- ▶ **True Group LTCi is nearly non-existent**
- ▶ **Individual policies: owned by employee, fully portable with no COBRA or conversion**
- ▶ **Premium discounts and simplified underwriting for qualified employer groups**
- ▶ **Simplified UW: knock-out questions, plus MIB and Rx database checks in some cases**
- ▶ **Premiums for core coverage lower than dental insurance, with much bigger benefits**
- ▶ **Employer contribution of \$10 per month ensures employee interest and enrollment**
- ▶ **Association discounts available – full medical UW**

**OFFICIAL END
OF
CONTINUING
EDUCATION**

For Agent Use Only

Multi-Life LTCi Carriers

- ▶ **LifeSecure**
 - Blue Cross of Michigan, A.M. Best rating A-
- ▶ **MedAmerica**
 - Blue Cross of New York, A.M. Best rating B+ +
- ▶ **TransAmerica**
 - A.M. Best rating A+
- ▶ Don't overlook Genworth, John Hancock, Mutual of Omaha, MassMutual for *fully underwritten* two-person carve-outs with premium discounts for employer sponsorship

LifeSecure

▶ Simple benefit construction

- Pool of Money from \$75,000 to \$1,000,000
- Monthly benefit of 1%, 2%, or 3%
- 90 calendar-day waiting period
- Future Purchase Option inflation built in – others available
 - Offer to buy up benefits by 15% every three years
 - In force till age 84 or on claim
 - No restrictions re number of times refused

▶ Ease of quoting and administration

- Online quote calculator – customized to each approved employer group
- Employees can target benefits or monthly premium for self and family members
- Simplified underwriting at 3 lives (up to age 69) with ER contribution

LifeSecure Self-Generated Quotes

Joe Doakes and Mary Doakes
11/6/2012

[New Quote](#) [Print](#) [Close](#)

Quote 1 Delete Edit						
	Joe Doakes, age 50 State: California Premium Option: Lifetime Payment Option Target Monthly Premium: \$60			Mary Doakes, age 47 State: California Premium Option: Lifetime Payment Option Target Monthly Premium: \$60		
	Choice 1	Choice 2	Choice 3	Choice 1	Choice 2	Choice 3
<u>Lifetime Benefit Amount</u>	\$356,581	\$211,677	\$173,905	\$399,439	\$235,697	\$192,993
<u>Maximum Monthly Benefit</u>	\$3,566 (1%)	\$4,234 (2%)	\$5,217 (3%)	\$3,994 (1%)	\$4,714 (2%)	\$5,790 (3%)
<u>Monthly Premium</u>						
• Employer's Contribution	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
• Your Contribution	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
• Total Monthly Premium*	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
<u>Elimination Period</u>	90(calendar) Days	90(calendar) Days	90(calendar) Days	90(calendar) Days	90(calendar) Days	90(calendar) Days
	• Guaranteed Future Purchase Offer	• Guaranteed Future Purchase Offer	• Guaranteed Future Purchase Offer	• Guaranteed Future Purchase Offer	• Guaranteed Future Purchase Offer	• Guaranteed Future Purchase Offer

MedAmerica

- ▶ **Simplicity I (CA Only)**
 - *Cash benefits*
 - *Individual – tough underwriting*
 - *Price competitive – older product*
- ▶ **Simplicity II (other states)**
 - *Cash benefits*
 - *Individual & multi-life (10 lives)*
- ▶ **FlexCare – individual and multi-life**
 - *Reimbursement plan*
 - *Individual & multi-life (10 lives)*
 - *Shared Care – 3rd pool of money*
 - *Combo inflation rider*
 - *Flexible benefit design*

FlexCare Unique Features

- ▶ **Variety of inflation options**
 - *3% and 5% Simple and Compound*
 - *No maximum or 2x maximum*
 - *Guaranteed purchase option*
 - *Combination Inflation option*
 - *5% compound till age 60*
 - *5% simple age 61 through 74*
 - *Benefits stop growing at age 75*
 - *About half the cost of 5% compound*
- ▶ **Shared Care Benefits – third pool of money**
- ▶ **Simplified underwriting through age 71**
 - ▶ *Need 10 lives for simplified underwriting*
 - *Association plans available*



Transamerica

- ▶ **A+ financial ratings**
- ▶ **Simplified issue at 10 lives**
- ▶ **Modified guaranteed issue at 15 lives**
 - *Three knock-out underwriting questions*
- ▶ **More rigid rules for benefit options and buy-ups**
- ▶ **Works well in employer-paid case with clear employee classes**
- ▶ **Telephone service center for application assistance – good for large employers in multiple locations**

Eleven Words To Long Term Care Sales Success

Have you taken
care of your
long-term care
planning yet?



FOR AGENT USE ONLY

Barry J. Fisher Insurance Marketing

LTC Planning Success

- ▶ **Excel at helping agents integrate non-core products into their day-to-day insurance practice**
- ▶ **All top traditional, group and linked LTCi products**
- ▶ **Simplified sales tools**
 - *Pool of Money Reports*
 - *Presentations for individuals and employers*
- ▶ **Expertise of BJFIM Team**
 - *Field underwriting*
 - *Proposal preparation*
 - *High level support for and with tax pros & financial planners*
- ▶ **Web support for training and clients**
- ▶ **LTCi products count toward BJFIM comp and rewards programs**

THANK YOU



BARRY J. FISHER INSURANCE MARKETING

Long-Term Care Insurance

Life Insurance

Annuities

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