Insurance Shops



- -Work with the top
 LTC Insurance Providers
 - Partnership, and linked Benefit
 Products like: Life Insurance,
 Annuities, Annuities with LTC Riders,
 Home Health Care Insurance,
 Nursing Home Insurance, and
 Final Expense Insurance

"Our Mission is to Enable Americans to Retain their Dignity,

Independence, and Assets in the event of a Long Term Care need..."

ABCs of Long Term Care Planning



Long term care is a family affair.



Items On Agenda



- Explain what long term care is
- 1 What it costs now
- Plan design
- See if you can qualify
- See if it makes sense for you to have this coverage
- Cost today vs cost of waiting
- Apply for approval today



Overview Thought: It is Hard To Imagine That You Might Need Long Term Care

According to a 2006 John Hancock survey, 67% of respondents found it difficult to imagine themselves needing long term care.

... But Very Likely You Will ...

There's a 70% likelihood* for those reaching 65 they will need some kind of Long Term Care for an Average of 3 years

*"What Is Long Term Care" Dept. HHS study 2009

What made you interested in Long Term Care planning?

- 1 Avoid burdening family and friends?
- Have more options on where to receive care?
- Avoid decimating retirement income and assets to pay for care?



Your Health History





- Crucial for qualifying for LTC insurance plans

 - ↑ Medications

When do you need Long Term Care

How do you access insurance benefits?

The definition is universal, applying anywhere in the United States and in most cases, abroad. You are in a long-term care need when 2 of 6 Activities of Daily Living (ADLs) are compromised beyond 90 days:

- **♦** Bathing
- **♦** Continence
- Dressing

- **♦** Eating
- **♦** Toileting
- **♦** Transferring

or with the onset of Dementia or Alzheimer's

Once you go on claim, you stop paying your premiums and the company starts paying to help you, according to the benefits and guidelines listed in your policy. If you move, the policy goes with you.



Did You Know?



1 Long Term Care Is Not Only For The Elderly

>Superman actor needed 9 years of Long Term Care: Christopher Reeve

LTC Settings and Services





- 1 Home Care
- Assisted Living Facilities (ALF)
- Nursing Home

☆ Services

- 1 Intermediate Care

Provides essential services, family is not burdened.



Reality Check



- Medicare does not pay for Custodial Long Term Care. It only partially pays for rehabilitative care lasting up to 100 days.
- (Medicaid) is welfare healthcare for the destitute, offering few options
- Both programs are threatened with long term insolvency



Reality Check Cont.



- Private Health Insurance Plans (HMO/PPO) specifically exclude Long Term Care
- No Medigap Plans Cover Long Term Care



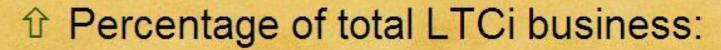
And How About Your Adult Children



- Often have children of their own to care for
- Geographically dispersed
- Dual income families with women employed full time







-	John	Hancock	25%	6
		I Idiloook	201	

- Genworth	24%
------------	-----

- Met Life 14%	-	Met	Life		14%
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- N	lorthwest	Mutual	7%
-----	-----------	--------	----

- Bankers Life	5%
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25%	0
	25%



- Eligibility is based on health
- 1 Features unique to each carrier
- 1 Application process
- How much insurance is enough?
- 1 Premiums

We offer all LTC products from the major carriers.

You can get a quote and apply by online/mail or in-person.

We are independent and work for you, not the insurance company.



Business Type	Situation	Business Tax Benefit	Personal Tax Benefit
C Corporation	Business/501c Organization pays the premium	100% of premium deductible	Premium not considered taxable income; Benefits are tax-free
Professional Corporation	Business/501c Organization pays the premium	100% of premium deductible	Premium not considered taxable income; Benefits are tax-free
S Corporation	Business pays the premium on employee and/or shareholder who owns less than 2% interest Business pays the premium on employee and/or shareholder who owns more than 29 interest		Premium not considered taxable income; Benefits are tax-free Premium included in partner's gross income, Benefits are tax free
Partnerships: LLC's and LLP's	Business pays the premium for non-partner employee Business pays the premium for partner not covered by another plan through any employer	100% of premium deductible 100% of eligible premium deductible as a business expense	Premium not considered taxable income; Benefits are tax free Premium included in partner's gross income, Benefits are tax free
Self-Employed (Not a C-Corp)	Business pays premium for individual not covered by a a LTC policy maintained by his/her spouse' employer	100% of <u>eliqible</u> <u>premium</u> deductible as a business expense	Premium not considered taxable income, Benefits are tax free
TA BITTER			

Federal LTC Model – Premiums are Tax Qualified

<u>Age</u>	Amount
Age 40 or less	\$ 330
Ages 41 – 50	\$ 620
Ages 51 - 60	\$ 1,230
Ages 61 – 70	\$ 3,390
Ages 71 or more	\$ 4,110

Average Cost of Care: 2010

- Nursing Home ~ \$230/day = \$83,950/year
 - © Example: 8 hours home care per day for 3 years = \$175,200 for one person

How Much Money Would You Need To Put Away Right Now To Cover That Cost?

Age	Need Care At	Amount@6%*
50	80	\$193,000
55	85	\$193,000

or

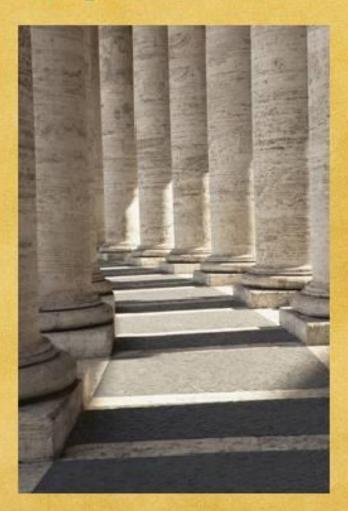
Invest \$11,500 every year for 30 years at a net 6% return Question: Is There A Better Way?

^{* 22%} tax rate

Long Term Care Insurance

the pillars of a sound plan

- Daily Benefit: \$50 \$500 per day
- Duration of Coverage: 2, 3, 4, 5, 10 years or Unlimited
- 0, 30, 60, or 90 day elimination period deductible





A Typical Design



- ⊕ 90 day elimination period

zero day for Home Health Care option

Inflation protection: 5% compounded. In 25 years, your available pool of money grows to \$593,290

.... "So What might your plan look like?"....



Insiders Tip

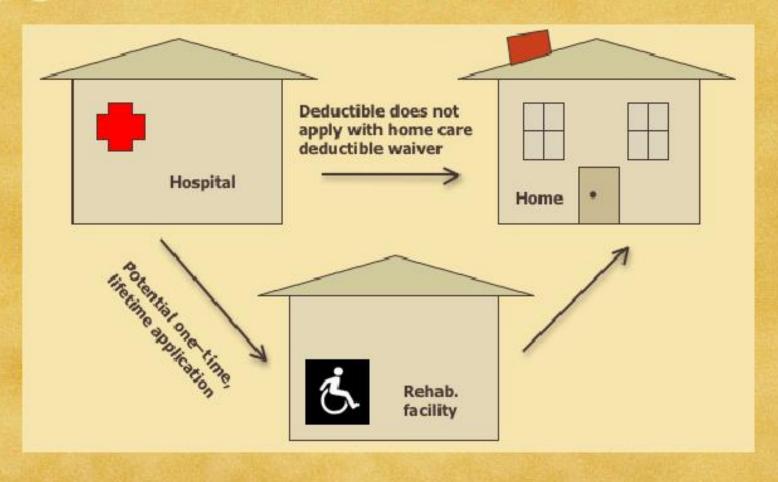


Your pool of money is there for you until it is exhausted



 Using our example, if your daily expenses were \$80 instead of \$160, you'd have 6 years of coverage.

Elimination Period Deductible





Words of Wisdom from the LTC Oracle

It is better to plan 10 years too early than one day too late!



Pros

- Lock in today's rates and health
- Health qualify
- Protect Assets
- Help your family care for you better and longer

⊕ Cons

- Buying at older age = higher cost
- Risk becoming uninsurable

What if I Take The Premium and Invest It or Self Insure?

☐ If invested@6%for 30 yrs.

will Grow to: \$131,690

1 3 yr. LTC cost in 30 years: \$757,800

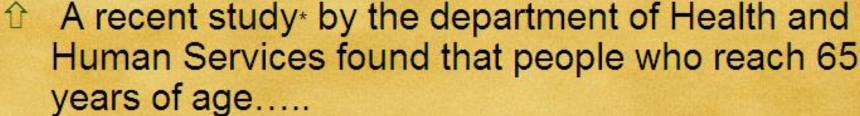
1 Projected Shortfall: -\$626,110

Conclusion: "You Can't Out Invest the LTCi option if you need care"



And Remember





Had a 70% probability they would require some kind of Long Term Care, for an average of 3 years

Comparing The Risk

- Your Home Burning Down:1 in 1,200
- Your Car in an Accident: 1 in 250
- Your Need for Long Term Care: 1 in 2
- Pay now or pay more later.







To Sum It Up



- 1 Long Term Care is Very Expensive
- 1 It is Very Likely to Happen

.....And Long Term Care Insurance Can:

- best preserve your assets
- 1 maximize your choice of care
- figive you and your family peace of mind

Moving Forward

- If Approved You Have a 30-day "Free Look Period" to Keep, Change, or Cancel the policy with no obligation.



Denial & Procrastination:

It Is Not Just A River In Egypt



- According to a recent John Hancock survey, 67% of respondents found it difficult to imagine themselves needing long term care.
- Yet 85% of these same respondents acknowledged that Long Term Care could have a devestating impact on their retirement nest egg.

.....And Remember, the latest numbers from HHS tell us That 70% of people who reach 65 will need some form of Long Term Care for an average of 3 years.....

The Casino Story

- You go to the casino with \$200,000 in cash from your income, savings, investments, retirement.
- You place your bet on either red or black on the roulette table, a 50:50 chance.
- We will either die without needing long term care or we will need long term care before we die, a 50:50 chance.
- The dealer spins the wheel and the ball goes round and round... and we all are waiting for our ball to drop. When it does, maybe next week, next month, or in 20 years, either you will spend the \$200,000 on long term care or the money will go to your estate.
- Before the ball drops you have the chance to insure your
 \$200,000 (long term care insurance). But you have to decide
 before the ball drops. What are you going to do?

To Insure or Not To Insure?

- Some people claim "I can self insure long term care." But they won't hesitate to put a quarter in the parking meter even though they could easily "self insure" the parking fine. They're willing to gamble \$200,000 but not \$50. They do this because they do not understand the risk.
- How comfortable would you sleep tonight without fire insurance (odds 1:1,200), or how careful would you drive tomorrow without car insurance (odds 1:250). Chance of needing long term care in your lifetime (odds 1:2).
 - -The National Academy of Elder Law Attorneys
- The risk increases every year to the aging population so much so that States and the Federal Government have created programs such as the Partnership to educate and motivate people to buy LTC insurance.

So the Main Question is

Not whether I can imagine myself needing long term care?

but

How do I best protect my lifestyle, my family, my dignity and estate should I happen to need care?





Overview Thought People Spend Their Money in Two Basic Ways

- 1. For Things They Enjoy...the pleasure principle...
- For Things/Services that Provide Security to let them continue pursuing reason #1



... the reality principle

....The happy man is someone who enjoys doing the right thing.....Aristotle

Planning means control.

Preparing for life's transitions is a gift to yourself and to those you hold dear.

It sends a powerful message of love, respect and compassion to your spouse and family members.

It helps assure that your wishes will be honored, your dignity and independence kept intact.

Waiting to insure is a calculated risk.

The consequences of missing the opportunity to prepare for potential needs and falling ill without a plan are devastating.

Isn't the quality of your future worth a little time now to get the job done?

In Summary

Act Now?	Wait?	
Lock into today's rates & lock in your health!	Rates adjusted periodically for new, incoming policyholders; buying when you're older is a more costly investment	
Assure you health-qualify today	Run risk of becoming uninsurable	
Protect your assets today	Without insurance you risk losing all of your savings and other assets	
If one person doesn't health-qualify or finances are limited, insuring the other helps both parties	Your surviving partner could be left destitute, the stress of managing your care alone can impact his/her physical and mental health	
You dictate how and where your potential future needs will be met	Government help with long-term care, other than Medicaid for facility care for the poor is limited and limits your choices	
You have up to 30 days after your application is approved to modify or even cancel it	Waiting/debating/procrastinating/denial accomplishes nothing but potential heartache for you and those you love	
So, are you ready to move forward?		

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The NEXT Step.....

Talk with professionals at Insurance Shops
About Your Options
Call 215-613-4999

