

# Insurance Made Simple

## A guide on how to talk to your clients about Long Term Care Insurance.



### The first step is to start the conversation.

Beyond your clients' active retirement years there will likely be an extended time period where their health might fail, they might develop a cognitive impairment or be unable to live alone. Are they emotionally and financially prepared to face these issues? If not, perhaps Long Term Care insurance (LTCI) should be part of your planning discussions. Initiating the dialogue is the first step toward helping them prepare.

### Discuss both their risk tolerance and their financial objectives for their later years.

Here are some questions that can help you determine if Long Term Care insurance is right for them:

- How do they see themselves in their later years?
- Are they concerned about living too long and becoming a burden on their family?
- Is it important to have freedom of choice regarding where they receive their care?
- Would they use up assets if they had to self-fund long term care expenses?
- Can they afford the premiums for LTCI?

### Many of your clients have probably cared for a parent or know people who have.

These clients understand the impact of either paying for that care or actively caring for the parent. They might have also discovered the monetary costs of LTC services or the mental and physical exhaustion that comes from caring for a loved one over a long period of time. They want to make sure that their family isn't faced with the same burdens.

### 10 tips for obtaining LTCI

- 1. Buy policies only from top rated companies.** Make sure your clients choose a carrier that is financially stable as well as customer friendly.
- 2. Buy inflation protection.** Allows benefit dollars to withstand the effects of inflation and the rising costs of care.
- 3. 100% Home Care Services.** Approximately 80% of individuals initially receive care in their own home. Make sure the policy allows your clients to use 100% of the benefits at home.

**4. Find an appropriate level of coverage.** Identifying your client's goal will dictate the need. Options such as Lifetime benefit periods or \$500/day benefits are very expensive and usually unnecessary.

**5. Avoid as many riders as possible.** Some riders are worth the additional premium dollars (Shared Care, Waiver of Home Care elimination period) but most increase the premium without adding real value. Consider carefully.

**6. Shared Care.** A great rider for couples, this combines two individual pools of benefits into one that either may draw upon. Either client may dip into their partner's benefits if they exhaust their own.

**7. Women need LTCI the most.** 72% of nursing home residents are women.

**8. State Partnership Plans.** It's important to find out if your client's state of residence is approved for a Partnership Plan. These plans are designed to keep your clients' assets out of their estates for Medicaid Qualification purposes.

**9. When is the right time to buy?** Optimally age 45-55. Premiums are less expensive then and clients usually don't have a medical condition that would make them uninsurable. Shortened payment plans are also available which allow the policy to be paid up at retirement.

**10. Is it ever too late to buy?** No, because many of the health issues that might make it difficult to qualify for life insurance (cancer, diabetes, and heart disease) are less important in LTC underwriting.

### Your clients are today's insightful consumers.

They need your thoughtful guidance regarding LTCI. And Low Load Insurance Services stands ready to assist you and your clients with these important issues. We're the advisor's LTCI advisor.

Confidentiality is paramount. All information obtained during the underwriting process is strictly confidential. This information will be used solely to determine your eligibility for the insurance applied for, and will not be released to any other party without your permission.

