

Navigating the Long Term Care Insurance (LTCi) Landscape

Presented by:

Tobe Gerard, CLTC, MBA, MLS, LIA

Tobe Gerard Insurance, LLC

Natick, MA



History of Long Term Care Insurance

Then: “Nursing Home Only” policies

Now: Comprehensive policies

Then: Medical Necessity as a “Trigger”

Now: HIPAA as a “Trigger” since 1/1/1997

Then: Inexpensive premiums

Now: “Right Priced” premiums

Then: Traditional LTCi

Now: Traditional LTCi and Hybrid LTCi

Then: No rate increases on policies sold

Now: Some aggressive rate increases on older policies

Future: Small rate increases on newer policies



How do you design a LTCi policy?

- Daily or Monthly Benefit
- Benefit Duration / Lifetime Maximum
- Elimination Period
- Inflation
- Riders



What factors determine the cost of LTCi?

- Age
- Gender
- Health
- Marital / Partner Status



Sample Premiums for Traditional LTCi

(as of 3/1/2016)

\$4,500 per Month 2 Year Benefit Period 3% Compound Inflation 90 Day Elimination	Female Monthly Premium	Male Monthly Premium
Age 45 Single	\$160.75	\$110.56
Age 45 One Insured	\$136.64	\$93.99
Age 45 Both Insured	\$112.53	\$77.40
Age 55 Single	\$201.89	\$136.45
Age 55 One Insured	\$171.62	\$115.98
Age 55 Both Insured	\$141.32	\$95.52
Age 65 Single	\$293.88	\$202.60
Age 65 One Insured	\$249.79	\$172.21
Age 65 Both Insured	\$205.72	\$141.82

\$6,000 per Month 3 Year Benefit Period 3% Compound Inflation 90 Day Elimination	Female Monthly Premium	Male Monthly Premium
Age 45 Single	\$278.66	\$176.24
Age 45 One Insured	\$236.87	\$149.81
Age 45 Both Insured	\$195.06	\$123.38
Age 55 Single	\$349.41	\$216.43
Age 55 One Insured	\$297.00	\$183.96
Age 55 Both Insured	\$244.58	\$151.50
Age 65 Single	\$503.30	\$313.03
Age 65 One Insured	\$427.81	\$266.07
Age 65 Both Insured	\$352.31	\$219.12



Sample Hybrid Option

Male - Age 55 - Married



Premium
\$100,000



LTCi Benefit
\$5,920/month
6 Years

3% Compound Inflation
0 Day Elimination period



Death Benefit
\$142,000



What is the profile of a traditional versus a hybrid LTCi buyer?

Traditional:

- People who are not looking to “get something back” as part of their “peace of mind”.
- People who are comfortable with an ongoing payment for “pure insurance” such as auto, home, personal umbrella, workers compensation, LTCi.
- People who can’t comfortably reposition the necessary assets.

Hybrid:

- People who are looking to “get something back” as part of their “peace of mind”.
- People who don’t want an ongoing payment and prefer “one and done” or a limited pay plan.
- People who can comfortably reposition the necessary assets and not need to access them again.



How is LTCi Underwritten?

	Traditional:	Hybrid:
Medical prequalification by agent	Yes	Yes
Completion of an application by the client	Yes	Yes
Medical records are retrieved by the insurance company	Yes	Not Generally
Phone interview is conducted by the insurance company's vendor	Yes	Yes
Face to face assessment is conducted by the insurance company's vendor based upon age	Yes	Not Generally



How do you trigger a LTCi policy's benefits?

First...

You must first meet the HIPAA definition of being "Chronically Ill":

ADL trigger

or

Cognitive trigger

Then...

Completion of the required claim form

Face to face assessment by a nurse

Satisfaction of the elimination period



5 Common Questions...

- 1) What happens if I move to another state? Will my LTCi policy pay benefits there?
- 2) If my spouse/partner is uninsurable can I still buy a policy?
- 3) How do I know if the company I have my LTCi with will pay my claim if I need care?
- 4) What happens if I don't have LTCi?
- 5) What is the “right age” to purchase LTCi?



Thank you for attending today's program

If you have any additional questions, please reach out to me to continue the conversation.



Tobe Gerard, CLTC, MBA, MLS, LIA

Tobe Gerard Insurance, LLC
841 Worcester Street, Suite 531
Natick, MA 01760
508-653-8110

tgerard@tobegerardinsurance.com

www.tobegerardinsurance.com