

Long Term Care News

March, 2018 Edition

"In like a lion" -- right? Does a marathon shoveling session mean that Spring is here? Or does March Madness include record-breaking levels of snow and cold until mid-May? Time will tell and only the shadow knows... and your chiropractor.

Carrier News

- **Genworth** is “returning to profitability” according to President Thomas McInerney, with solid operating results in their global mortgage insurance platform and a move in the right direction for the company as a whole. For newbie’s, this is the division that brought this company to their knees in 2008’s housing and banking crisis. McInerney also indicates progress on their multi-year long term care insurance premium rate action.

Here in NY, this carrier is the only one presently offering the NY State Partnership policy, and while premiums for those applying now are not as competitive versus stand-alone products as in the past, this policy continues to be popular with those whose main reason for purchasing coverage is total asset protection. Genworth continues to be the “low price provider” for non-Partnership stand-alone policies.

- **Mutual of Omaha**, while exiting the NY market for life insurance products, remains a viable and popular carrier for long term care coverage. Along with **Transamerica**, Mutual of Omaha continues to offer policies with “cash at home” options. A recent publication for producers, including sales ideas and how to use long term care products to help clients, is now available for the asking, along with updated training materials covering topics like built-in inflation protection and tax advantages for business owners.

The American Association for Long Term Care Insurance has issued their “Guide to Long Term Care Planning using 1035 Exchanges for 2018” – also available upon request. Re-purposing existing annuities and life insurance as client needs change is an interesting topic, and 1035 exchanges from non-qualified annuity contracts continue to be a popular way to fund stand-alone long term care premiums on a tax-free basis.

A rise in hybrid and linked-benefits products further expands interest in 1035 exchanges, and we have several publications available covering the questions to ask clients, a suitability decision tree of sorts, along with other articles by financial planners – one who even states that these products should not be recommended to clients unless they have a net worth of \$750K or higher! Get the article and find out his reasons why!

The AALTCI has also issued their annual report on stand-alone long term care claims payments, and the \$9 billion on behalf of policyholders and their families in 2017 was an increase of 6.4% year over

year. The Association states that they are interested in including hybrid/linked-benefit claims payment data in this publication – unavailable from the carriers, but hopefully next year!

Meetings and CE

- March 7 – the Society of Financial Service Professionals presents “Managing the Risks in the Retirement Red Zone: Seven Risks to Retirement Income” featuring – who else – Scott DeRosa of Prudential Annuities. 1-hour of CE, 7:45 am at Midvale CC, contact jillnobessfsp@rochester.rr.com to sign up.
- March 9 – National Meatball Day – threw that in just to see if you’re still paying attention
- March 14 – FPA of Greater Rochester presents “Planning Opportunities Under the New Estate Tax Law and the Medicaid Rules” with David Shaffer of Woods Oviatt Gilman. 7:45 am at Locus Hill CC, contact admin@nyfpa.org to sign up for the program.
- March 15 – back to the “Society” for their 3rd annual “CE Day” – get up to 15 hours in one day, via seminars and on-line coursework. 7:45 am at Midvale CC, jillnobessfsp@rochester.rr.com to sign up – lunch included in the price for those staying for on-line credit.
- June 14 – save the date for the FPA Annual Symposium at Irondequoit CC. Workshops, speakers, CE credits – admin@nyfpa.org for more information.

Media and Articles of Interest

As usual way too many to list here, but the high points from February include

- The Justice Department’s elder fraud investigation that resulted in charges against more than 250 defendants who allegedly stole more than \$500 million from more than a million Americans. In case you missed the FPA’s recent program on spotting elder abuse in your clients, contact Lifespan for all the information.
- Emerging housing trends in 55+ living communities – not for the elderly and infirm but single-family low-maintenance homes favored by baby-boomers and Gen-X members who decide to down-size. This is a growing market and even if clients elect to stay home, many good ideas!
- The fact that drinking alcohol can clear brain waste – we always thought the operative word was “caused” – but combined with a study just released that concludes that “lushes” live longer, maybe science is tipping in favor of the “wets” -- at least until the WCTU finds out.
- An all-female memory care unit has opened in TX – okay, maybe the start of a trend?
- Another study by the Kaiser Family Foundation working with data from 2013, showing that Medicaid and “other public” sources cover 72% of all long term care expenses. Private insurance covered 8% and only 19% of beneficiaries dug deep into their own pockets – before running out of money or to an elder law attorney! Informal care provided by family members is not included but represents, according to some estimates, a huge percentage of home care, 80% according to some sources.

As we move through March, with the hope that we get the “out like a lamb” happy ending, we can figure out how to complete a March Madness pool sheet without Syracuse, we can play the Oscars drinking game to qualify as lushes looking forward to a long life, we can beware the Ides and celebrate St. Patrick (another excuse), or we can sober up and call on Upstate for the brokerage services necessary to help your clients!

“Though markets are generally rational, they occasionally do crazy things. Seizing the opportunities then offered does not require great intelligence, a degree in economics or a familiarity with Wall Street jargon such as alpha and beta.” --
Warren Buffet

Andrea Graham

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