

Long Term Care News

September, 2018 Edition

Labor Day Weekend is the end of summer, or so they say! Maybe for the kids who are back in school but it's not about to snow tomorrow, or even the next day for that matter! Labor Day does remind us that we're heading to the end game however, the apples are being picked, the leaves will be worth the looking, Halloween, Thanksgiving, the holiday season and finally, welcome to 2019. Yep, over before you know it, just like the Bills season 😊

While I've been leaving you to your golf games, your winery tours, your sailboat, your work and other important summer pleasures, the rest of the world continues to be interested in what's going on with long term care and how getting it, giving it and paying for it impacts the lives of people we know, including your clients.

Carrier News

Big announcement! They're all still in the business and we've got another one which has filed product in New York. Rim shot, please ...

- **Genworth.** The big gorilla in the room. Doing better and hoping to do a lot better when they can complete the deal with China Oceanwide. A hurdle cleared when the Committee on Foreign Investment approved the deal in June. Genworth is currently upsetting producers with the announcement of yet another rate increase approved in 20 states, too much too soon and no details for anxious New York policyholders. Receiving far less publicity is the fact that this carrier is facing a couple of policyholder lawsuits, claiming that reserves were rigged in order to justify rate increases, so it will be interesting to see where those ultimately shake out.
 - The My Genworth website for use by those who own Genworth products is up and running, for clients only please. Contract details, correspondence downloads, document submissions all available to those who can figure it all out!
 - Personally Identifiable Information has been suppressed from all Genworth reporting, effective in July with a goal of completing the transition this month (September).
 - New long term care applicants to Genworth now receive a Welcome Call. Included in this conversation are processes to set applicants up for their third party notifications, electronic funds transfers, access to the My Genworth website, and HIPAA authorizations. The welcome to Genworth staff is also using this opportunity to encourage your clients to give you referrals of friends or family who would be interested in more information about long term care.
- **GE Capital** -- not to be confused with Genworth, this old subsidiary of GE has its own problems!
- **John Hancock** -- while out of the stand-alone long term care market, this carrier is absolutely involved in offering LTC riders on their life insurance policies. IMHO which I never mind sharing with you, if this type of linked-combo-life insurance option appeals to you and makes

sense in your financial situation, why not make sure the carrier knows how to pay a long term care claim? A new version was announced by Hancock in July, with a few updates, the most interesting being the inclusion of a "stay at home services" benefit and the fact that the rider is now available on base policies with a 200% substandard rating. Sorry kids, not in NY yet!

- **Mutual of Omaha** produces weekly sales guides and assistance for advisors, lots of good ideas!
 - New underwriting guide now available
 - Flyers for use with clients to include information on the difference between daily and monthly benefit reimbursements, the cost of waiting, using LTCI to protect retirement income, why LTCI is better than relying only on family, and how to sell critical insurance coverage
- **Unum** announced approval for a premium rate increase in New York, effective in July. 15% for all insureds which would have driven me to drink 20 years ago but which now appears very reasonable!

One more time, a quick course on being successful in helping your clients fund the plan. What's the plan you say? A little different for everybody but basically answers the question -- "What am I going to do when I can no longer take care of myself?" And by the way, we should all have an answer for that! Hint-hint -- develop this plan without using the words "children."

Who are the clients most likely to be interested in planning?

- Females age 50 to 65
- Household income of \$50,000 to \$250,000
- Married with adult children
- Working in a white-collar profession, not yet retired
- College educated
- A homeowner with 11 or more years in the current residence
- A "planner" who is interested in financial issues; owns life insurance and other conservative investment products
- Exposed to long term care issues; knows someone (family or friend) who has needed the services
- Research oriented; an online user; self-educated about LTCI

Where do we ever come up with this information? From policyholders, of course.

Why do clients buy a product to fund the plan? Sometimes even when they could fund it themselves?

- They don't want their kids to take care of them, the last thing they want is to become a burden on their family -- helping out is fine, bathing and dressing not so much, better to pay a professional
- They want to stay out of a nursing home. Close to 80% of all policy claims are for home care or care in an independent living facility; nursing homes are for those who fail to plan

- They don't want to risk spending the assets they've worked a lifetime to accumulate to pay for long term care services. They have other plans for the money, they live on it, they want to protect a surviving spouse, they intend to leave a legacy even if it means providing for the cat

How the plan is funded is an individual decision, ideally reached with professional assistance. The options range from \$100 a day for home care, to total asset protection, to a life insurance product that will come to the rescue when care is needed. At Upstate we can offer all of these solutions, just call us!

Medicare Season

Another harbinger of doom, just kidding of course, but the selling season will be here before you know it, too! You need to know the facts, the penalties, the pitfalls of an Advantage Plan that doesn't include your clients doctor or pharmacy! Which moves us to the next section and a perfect place to get the scoop ...

Association Meetings and Continuing Education

Our professional associations also take a summer break, but now that September's here, it's back to business!

- Sept. 5 -- Society of Financial Service Professionals presents "Tax Reform: What does the future look like" presented by the EFPR Group, LLP. Midvale CC at 7:45 for breakfast, 1-CE credit, no charge to members, contact jillnobessfsp@rochester.rr.com to register.
- Sept. 12 -- FPA of Greater Rochester presents "Medicare 101 -- Taking the Confusin out of Medicare for your clients" -- presented by Ahrens Benefits Company, 2-hrs of CE. 8:00 am breakfast at Irondequoit CC, contact admin@nyfpa.org to sign up. **PLEASE NOTE:** this is a change in venue for the FPA not to mention please refer to **Medicare Season** above -- a good way to get the basics!
- Sept. 20 -- The Community Foundation hosts their Annual Report and Philanthropy Awards at the Riverside Convention Center. 11:15 reception, Noon lunch, jbarcia@racf.org to reserve a spot -- or a table!

News and Media

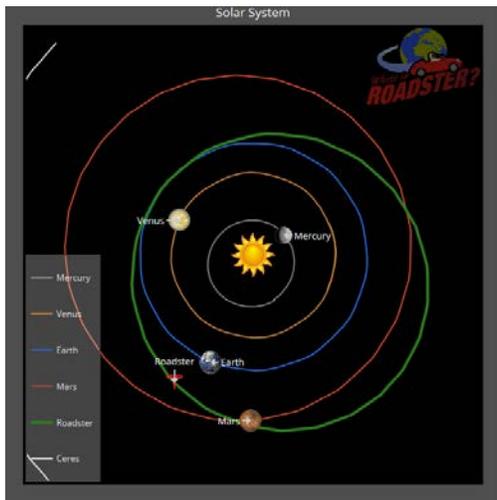
The debate over the "best" product or method for paying for any health care service, and that includes the custodial care associated with being disabled or just getting old, continues! And the media also produces information on a daily basis, regarding the problem, what it's like to care for someone, what options are in the community, the latest "boomer" trends.

For an industry that's supposedly dying, on the way out, there are no alternate solutions pushing to the forefront, other than including all of these expenses into some kind of "Medicare for All." So in the meantime what's a mother to do? The problem, as they say, con-tin-ues and no solution is cheap!

Of interest over the summer, a survey by the Employee Benefit Research Institute, with Greenwald & Associates, revealed that only 16% of retirees are "very confident" they can afford long term care. This is a drop from 20% so the media barrage must be getting to them! The point is that with this kind of anxiety in general, and most likely in your own client base to some extent, how can you not bring up the discussion?

Closer to home, the *Rochester Business Journal* featured three interesting articles over the summer, "Survey: Long-term care overlooked in financial planning," "Baby boomers driving new norms in senior living" and "Technology bringing comfort to seniors in assisted living settings." For copies, just ask.

And that's a wrap! Don't forget www.whereisroadster.com just for fun! Oh, and "go 'Cuse!"



Where is Starman? Track Elon Musk's Tesla Roadster in ...

www.whereisroadster.com

Current location of Elon Musk's cherry red Tesla Roadster and Starman launched by SpaceX on the Falcon Heavy maiden flight

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