

FAQs as answered by the webinar presenter, Dominique Lautiero

LTCR/ Enrollment

1. What is performed in the “Audit” portion in the *LTCRplus* Program? And how quick can they be performed if you need care?
An intake will be done to determine what the concerns are first. This can be done within a day or two. Depending on the level of assessment, such as physically going to the facility and what type of auditor is need like RN, MSW, LPN, Certified Care managers it could take a week or so.
2. How long does it take to get access to benefits of the *LTCRplus* program?
It only takes a minute to sign someone up for the benefit. We simply enroll you online which generates an automatic email to you to get started.
3. Can I enroll a family member into the *LTCRplus* program, and do I need to enroll first before enrolling others?
Yes, Parents, siblings and children can be enrolled. You should enroll yourself first then family.
4. What insurance company underwrites the *LTCRplus* policies?
We shop the market with top rated carriers in the industry. These include Mutual of Omaha, Nationwide and many more.
5. Does your program use certified care managers for LTCR Navigation & Care Audits?
We may use certified care managers in some cases. MSW’s, RN’s, LPN’s and senior advisors will also be used if the level of evaluation or assessment calls for it.
6. How do we login to *LTCRplus*?
We will have to do it for you. We will need your name, email and alumni or group and we can set you up. It just takes a moment. You will then receive an email with a link to the website and create your password. It is a super user-friendly website with bubbles directing you to the benefit options.

Eligibility/ Availability

1. Is the Alumni Association discount available for my spouse?
Yes.
2. If I move from one state to another, will I be able to use my insurance in the new state?
Yes. These plans are portable.
3. Can I buy a plan that both my wife and I can share the benefits, so that either one of us can use it?
Yes.
4. What kinds of health issues will stop me from getting covered? Are there pre-existing condition exclusions?
Some conditions will preclude you from coverage no matter how mild or stable you are if they are incurable and known to get progressively worse such as Parkinson’s, MS, ALS or cognitive impairments. However, the carriers look at stability and severity of most conditions to determine eligibility. For example, if you have Diabetes but are controlled on oral medications and have no complications, you will qualify for coverage. If your condition is unstable with many complications, this will stand in the way of obtaining coverage.

5. Is this service only used in the US? What if I need to move abroad while my spouse is disabled and receiving benefits?
The *LTCRplus* benefit is not available outside the US but your online access will work anywhere. Some insurance policies have international coverage but its limited.
6. I currently have LTC coverage through John Hancock. Would I be able to purchase just LTCR Navigation services?
There is no charge for the *LTCRplus* benefit. This is available to all alumni whether a plan was purchased through the organization or not. You can simply call the concierge desk and ask to get signed up, the number is 844-582-7587
7. Is the state that you live in a factor? California is very expensive!
In a few ways yes. You must purchase a plan in the state you reside in. Some states have limited products and benefit options as well as different pricing for coverage. You also have to consider how much more care costs in California and may require a bigger policy to cover this.
8. I have a current LTC policy. How can I determine if one of the policies offered here is a better price?
We can take a look to compare your current plan with the costs of a plan today but it's very difficult to beat a plan that is already in force since the main factors in pricing is age and health. Depending on how many years have gone by since purchase the discount may not be enough to offset the price difference in age today.
9. What do you recommend for expected number of years coverage?
I look at a few factors to help someone determine duration of coverage. Your gender since women statistically live longer than men, family history/longevity, how long your own assets (savings & investments) will last if you outlive benefit and of course the premium. It's important that the premiums do not burden your budget and lifestyle.
10. Are these plans available through the US, regardless of what State you need the service?
Yes. These are portable within the US and some insurance carriers have limited benefits available outside the US.
11. Do the hybrid plan benefits HAVE to be used for health care specifically? Or is there any discretion?
A Life/LTC hybrid is a combination of life insurance and a long-term care policy and therefore must be used for either of these or it can be surrendered for the cash value. An Annuity/LTC plan can be used for long-term care services or you can annuitize it for income stream. These can also be left to a beneficiary if you pass away before using up the policy.
12. Is there a limited timeframe for us to sign up for a policy?
There is no open enrollment time frame, but the carriers have age limitation for purchase. Most carriers allow you to purchase up to age 80 and some have an age limit of 75.
13. Is there an age that is too old for applying for LTC policy? For example, my parents are 80. Is it too late?
Most carriers have a maximum issue age of 80 and some as young as 75. The only options for them now would be an annuity/LTC plan as these can go up to age 85.

Benefits/Coverage

1. Does the payout cover only out-of-home care, or in-home care, too?
The benefits will cover in home care, adult day care, assisted living facilities and skilled nursing homes.
2. Who decides if I can get my benefits from the policy?
Your physician will be the one who deems you ADL (activities of daily living) deficient or chronically ill. This notation will qualify you for benefits.
3. If I buy a policy, how old do I have to be to get my benefits from it?
You can receive your benefits at any age. There is no qualifying age or time frame.
4. What if I become disabled due to an accident just months after I started my policy? For example, I have a stroke, recover after using my LTC benefits. Do I still have anything left in case I relapse?
You can receive your benefits at any age. There is no qualifying age or time frame.
5. What if I use up my benefits in my policy and I still need care?
Once you have exhausted the policy value, you would then begin paying for your care out of pocket. Some plans offer lifetime benefits if this is a concern.
6. What kind of price difference is there if you have a joint plan?
That depends. Some plans are truly joint meaning one pool of money shared between two people and the other is a rider that allows you to borrow or inherit each other's individual plans. The joint plans are a single price based on joint age whereas the shared care option is a rider with a specific cost. This can add about 15% to the overall premium.
7. What benefits are there for buying through The AIP as opposed to by myself?
The support and service for life provided by advisors who specialize in long-term care. Not just obtaining a plan but helping you understand what it is you are purchasing and how it fits into your retirement planning. There are also discounts involved with certain carriers that are not available through the general market.
8. Does the policy include medication, hospitalization or just care takers?
Your health care policy will cover, doctors, hospitals, medications etc. LTC policies cover the care providers you need when you are unable to care for yourself as well as the costs associated with LTC facilities like nursing homes or assisted living facilities.
9. Could you please discuss the calculation of Daily or Monthly benefits and Benefit Duration to determine monies needed for LTC?
First, you should research the average costs for LTC services in your area to help decide what this amount should be. The daily/monthly benefit is decided by you at time of purchase to cover these costs. The duration is the most difficult benefit to select since we have no idea how long our situation may last. We can reference the statistical length of a claim (three years for men, five years for women) or we can base this on family history and longevity. The calculation is basic math. The daily benefit times the benefit years. For example, if need \$150 a day in my area and I want five years of coverage, I take $\$150 \times 1825$ (five years) this equals \$273,750 in total long-term care coverage. These amounts will vary as not everyone's needs will be the same.

10. Is the duration continuous care or can it stop/start with healthcare needs?

The duration is not set in stone. It is simply a timeline for when you may run out of benefits if you keep using your daily/monthly amounts continuously. You can use the benefits for one year then stop the claim. If/when you need care again a few years later you still have coverage left.

11. Are there restrictions as to who may provide in home care, such as a family member, or must they provider meet certain certifications?

There are two types of benefit payouts, Re-imbusement and Indemnity. Not all carriers offer indemnity coverage. In fact, most are reimbursement plans. Reimbursement plans require you to use a licensed-care provider in order to receive benefits. This is for in home care or facility care. You must provide receipts for the care and the policy will reimburse for the services. Some care providers will send the bill directly to the carrier for you. Indemnity plans will send you a check for whatever your benefit amount is to pay whomever you choose to provide the care. This includes family and friends.

12. If I have a elimination period of 60 days, and my contribution is supposed to protect me for 20 years but I have an accident two years into my policy, is the policy going to protect me for 20 years or is there no enough in my pool to cover for me?

The benefit duration doesn't change once you select it upon purchase. If you purchase a 20-year benefit duration, then you will have 20 years of coverage whether you trigger a claim in year two or sixteen. Your benefits will start to pay at that time after you pay your deductible period of 60 days.

Financial/ Cost

1. Is the policy tax qualified?

Yes. The benefits received are not taxable as income. Premiums can also be deducted as a medical expense (up to state limitations).

2. What happens if I buy the coverage and I never use it, do I get a refund of any kind?

Traditional plans have no residual benefit. Just like Homeowners or Auto insurance. However, Hybrid plans have cash value or a death benefit if LTC is never needed.

3. What if I buy a policy and then many years later, I can't afford to keep it?

If it is a traditional plan, there is no residual value if you surrender the policy. However, some traditional carriers do have a nonforfeiture rider you can buy that will provide you with some small benefit (typically in the amount of premiums paid in) if you can no longer pay premiums after the policy is in force for ten years. This is limited to carrier, state and age at time of purchase. Hybrids have residual value if you decide to forfeit. This will also be dependent on carrier, state and how many premiums paid in at time of surrender.

4. Are there ways to get into a long-term care policy that is combined with life insurance?

Yes. You can purchase a hybrid as a new policy, or you can 1035 exchange cash value from an existing life policy to obtain a new one with LTC coverage.

5. What is the cost of using the services of this company?

There is no cost to you. This is a free benefit to all alumni. The only cost to you would be the cost of an insurance policy if you decide to purchase one.

6. My mother had her rate double this year. Is this common?

Many older policies are going through rate increases. This is due to several factors- Actuarial projection of policies lapsing, unlimited benefits with high inflation riders and of course simply underpriced. Back then they had nothing to go on to determine appropriate costs for coverage.

Now they have the advantage of over 30 years of data to make these corrections and appropriately price the plans day one.

7. Can you fund from IRA's or 401(k)?

Yes, we can utilize 1035 exchange money from either of these accounts to help fund a hybrid LTC policy. This will not get you out of taxation on this money, but it eases the blow as they are typically spread out over ten years' time rather than one large tax hit from a withdrawal.

8. Can you provide order of magnitude cost for the plans (even a range)?

Costs are dependent upon age, gender, marital/partner status, state you reside in, your health and how much coverage you purchase. There is no way to estimate without at least knowing age and gender. A very generic and not accurate answer would be; In early-50's for a male, small-medium coverage would be about \$100/month, for a female with the same age and coverage probably closer to \$180/month.

9. Do you still pay the premiums after you start using the policy?

No. Most carriers today have built in waiver of premium while on claim.

10. What would an estimated premium be?

Costs are dependent upon age, gender, marital/partner status, state you reside in, your health and how much coverage you purchase. There is no way to estimate without at least knowing age and gender. A very generic and not accurate answer would be; In early-50's for a male, small-medium coverage would be about \$100/month, for a female with the same age and coverage probably closer to \$180/month. For exact pricing please feel free to give me a call.

11. About how much would the monthly premium be for a 60-year-old in good health?

Gender is a major factor as well as age. It's could be as low as \$100/month up to \$300/month depending on gender, health, policy size and if it's a single individual or someone with a spouse or partner. Men are less expensive than women when it comes to LTC premiums. For exact pricing please feel free to give me a call.

12. What would a typical premium be for a 70-year-old male?

It could be anywhere from \$200/month to \$400 a month depending on how much coverage you chose; how healthy you are and if we can provide couples discount. For exact pricing please feel free to give me a call.

13. What is a ballpark figure for the cost of a traditional policy?

Costs are dependent upon age, gender, marital/partner status, state you reside in, your health and how much coverage you purchase. There is no way to estimate without at least knowing age and gender. A very generic and not accurate answer would be; In early-50's for a male, small-medium coverage would be about \$100/month, for a female with the same age and coverage probably closer to \$180/month. For exact pricing please feel free to give me a call.

14. Can you provide some general parameters regarding the need to protect assets from Medicaid and Medical if one has LTC insurance?

I think you may be referring to Partnership Protection. Some states and carriers offer dollar for dollar asset protection to residents that purchase long-term care policies. This means every dollar that your policy pays towards your care is protected from Medicaid spend down rules. Not every state offers this, and some benefit parameters are required in order to qualify for this. If you send me your email and the state you reside in I can forward some literature to you.

15. How do you see what options are available and how much they cost?
For benefit options and pricing, I suggest we have a conversation since there are various benefit options available and pricing depends on so many factors.
16. What is the cost of rider allowing person to stop paying premiums while he is on claim?
Most of our carriers have this built into their policy so no additional cost.
17. Since the benefit is a fixed "pool of money" (not endless), and the premium is fixed, then buying LTC is simply a financial investment with a pre-determined return on the investment. What is the typical return on investment, and how does this return compare to other investment options I might make with this same money?
Not all plans have a fixed pool of money. We do have some that offer lifetime coverage depending on the state you reside in. However, on the plans that do have fixed coverage, the difference is the day one leverage. You can't turn an \$1,800 investment deposit into a \$200k return tomorrow. If we assume you don't need care for five or twenty years, then we have to do more calculations. Let's say you purchase \$200k in policy benefits today with 3% inflation protection and your premium is \$1,800 per year (Actual pricing for age 60 male). In five years, your coverage is now worth about \$233k (this is due to the 3% compound inflation rider) give or take and you would have spent \$9,000 in premium. In 20 years' time you will have about \$364k in benefits and will have spent \$36,000 in premium dollars. Even the best financial planner can't guarantee this kind of growth nor will it be tax free when you take it out to pay for care.
18. Will premiums in the future be more expensive if I don't begin paying until later, vs paying now for anticipated future use?
Yes. Since the rates are based on age health, the older you get the more expensive it will be and harder to qualify for if your health worsens.
19. Is the benefit duration ever related to time vs an account of money? For example, if I use one weeks' worth of benefits in year two and don't need it again until ten years later but it's a ten year policy - will it pay for the post year 12 expenses?
It's all about the money really. The duration pertains to the amount of time it will take to drain the policy once you need care, not when you trigger the claim. You must choose your benefit design at time of purchase. Let's say you select \$3000/month for ten years. ($\$3000 \times 10 \text{ yrs.} = \$360,000$). You can have as many claims as you need for different issues. Each time you use your benefits it reduces the total value. Just think of it as a bank account with \$360k in it. If you take \$3,000 a month for one year you now have \$323,500 left in the account. Now five years later you file another claim and want to use the money for two yrs. You can take \$3,000/month out for two years which drains your policy value (bank balance) down to \$250,500. I'm happy to explain this over the phone if I caused more confusion with my analogy.
20. Does one's credit score impact pricing of the policy?
No.

Miscellaneous

1. If you have been denied by a different Long-Term Care plan can you still apply to this one?
Many carriers will not accept an application with a previous decline, but some will consider you depending on the reason for the previous decline. They will usually require a copy of the decline letter to decide if they will allow you to apply for coverage.

2. I have an existing LTC plan thru Mutual of Omaha that I have been paying on since 2015 at age 62. How do I evaluate that policy against options that may be available via the Alumni Insurance Program/*LTCRplus*?
Mutual of Omaha is also one of our carrier options and is usually the most competitive carrier. Even with the discount, we would not be able to beat the cost of your current plan due to your age today vs time of purchase. We can always run a quick quote for you today to give you piece of mind.
3. What is Dominique's direct number?
My direct telephone numbers are 480-719-8143 or 888-689-4393.
4. Is it ever beneficial to have more than one LTC policy?
Not necessarily beneficial, but it certainly is done if someone purchased a small-plan, years ago and now wants a little more coverage.
5. Which carrier has the largest percentage of your business?
For traditional I would say Mutual of Omaha. They have great pricing and benefit options; however, they are tough on health underwriting. For hybrids I think it's pretty evenly distributed between our carriers. The pricing is so close with each, but it usually comes down to payment options that fit one's personal budget best.
6. Is there a list of in-network providers?
No. You can use any care provider you want.
7. What happens if an LTC insurance company goes out of business in the future, what happens to my contract and payments?
LTC policies are protected by the state. Worst case scenario- if a carrier goes completely bankrupt the state will step in and take over. This is called receivership. Carriers also have what is called a claims reserve that cannot be touched for any other business except to pay the claims. They are obligated to show this information in their quarterly reports. If for some reason a carrier forecasts going out of business, they can sell your policy to another insurance provider who will take over collecting premiums and pay your claim when the time comes. Our carries have been successfully doing business for almost 100 years. They are not just selling long-term care but are successful in other lines of business as well.
8. You do wills....and such - do you do trusts?
You can create wills, medical directive, power of attorney and living trusts.
9. How is your Florida coverage?
All of our carriers offer coverage in Florida. The benefit options are the same as in other states. Plans will be priced based on age, gender, health and amount of coverage you purchase. I would be happy to work on some quotes for you if you like.
10. What are the names of the carriers you represent?
Mutual of Omaha, Transamerica, National Guardian Life, Lincoln Financial, Nationwide, Securian and One America.