

# *Marketing & Distribution*

**Creating “Action” for your LTC business by partnering with regional/local banks, BDs, RIAs, P&C and Employee benefit firms**



**18th Annual Intercompany Long Term Care Insurance Conference**

# ILTCI Mobile App Download Instructions

 iPhone  
 iPad

- 1) Type <https://crowd.cc/s/1flyo> in web browser
- 2) Click “Download iPhone/iPad App” to load Apple’s App Store and download the app.

android

- 1) Type <https://crowd.cc/s/1flyo> in web browser
- 2) Click “Download Android App” to load the Google Play Store and download the app.

 BlackBerry

- 1) You’ll be using the web version of the app. Open the web browser, click the BlackBerry menu button, select “Go To” and type <https://crowd.cc/s/1flyo>.



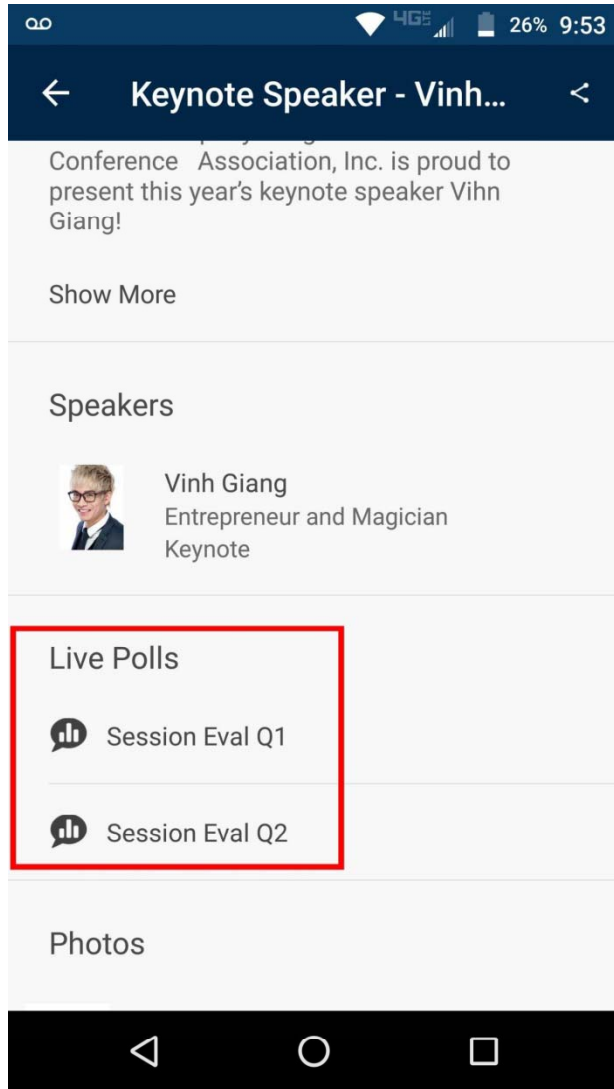
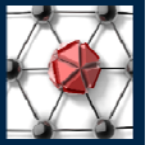
You can also just go to your app store and search ‘AttendeeHub’. Once installed search ‘ILTCI’ and you’ll find our app.

**A Special Thank You to this year’s  
Mobile App Sponsor**



**Nationwide<sup>®</sup>**  
is on your side

# Session Survey Instructions

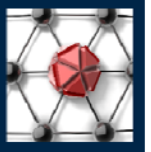


Once you are in the app go to the schedule and the session you are in.

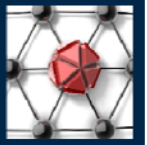
Scroll to the bottom to find the Live Polling questions.

This year the session survey questions can be found in this section and will take just a couple seconds to complete.

# Presenters



- Rich Kupetsky, CLTC, SSK LTC Associates
- David Shulman, CLTC, SSK LTC Associates
- Shawn Britt, CLU, CLTC, Nationwide Financial
- Zac Raymond, CLTC, Nationwide Financial



- **Banks/Credit Unions**

- 1- Local or Regional

- (a) Insurance department with management structure

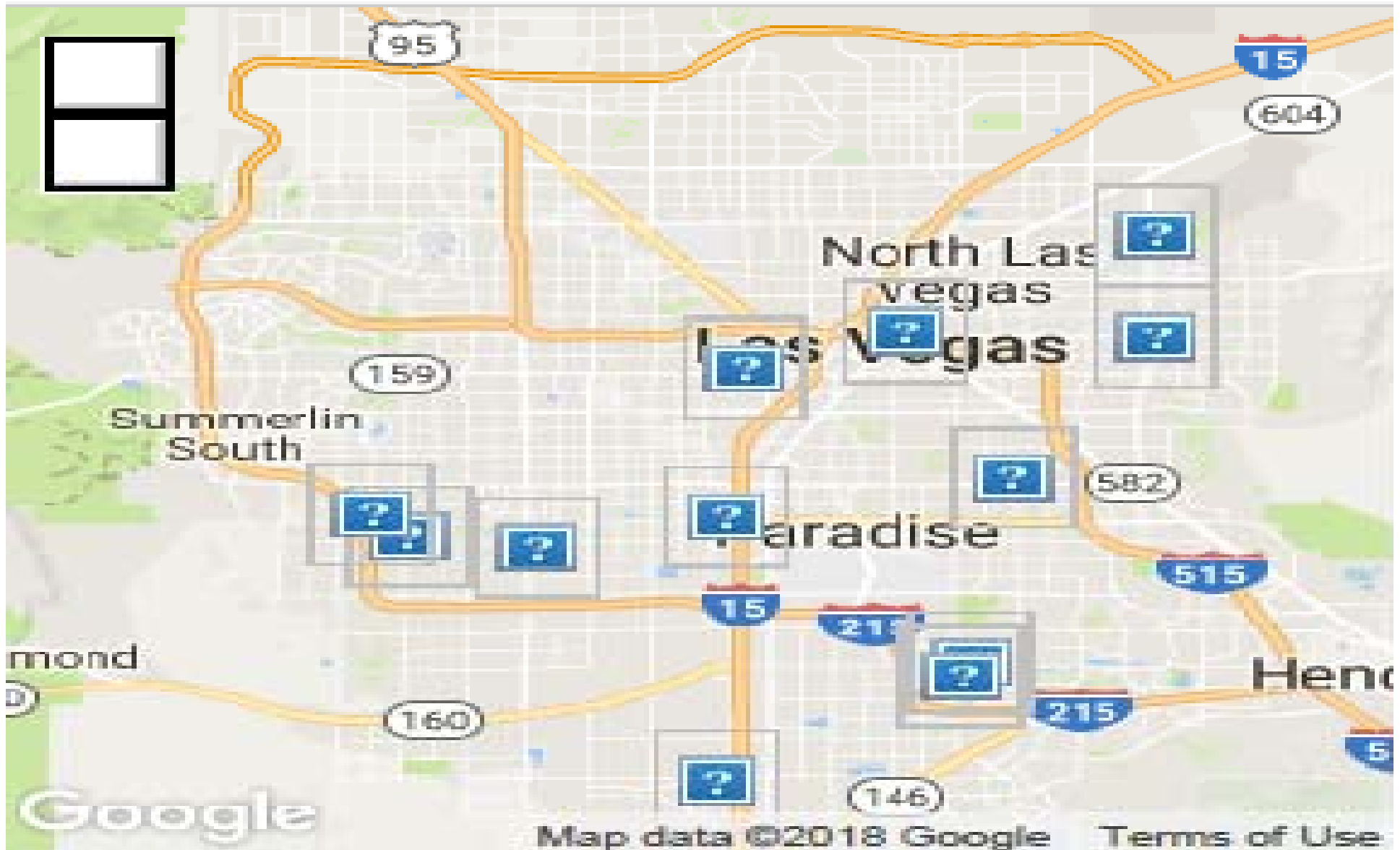
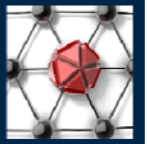
- 2- Financial advisors who are licensed to sell insurance

- (a) 5-100 FAs

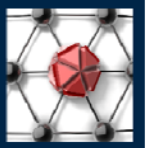
- 3- Access to clients

- (a) 5,000-25,000 clients

# Identify Prospects/Profile of Ideal Clients



# Identify Prospects/Profile of Ideal Clients



- **Registered Investment Advisors (RIAs)**

- 1- Local or Regional

- (a) Smaller groups of 5-10 RIAs

- (b) Do not have insurance license

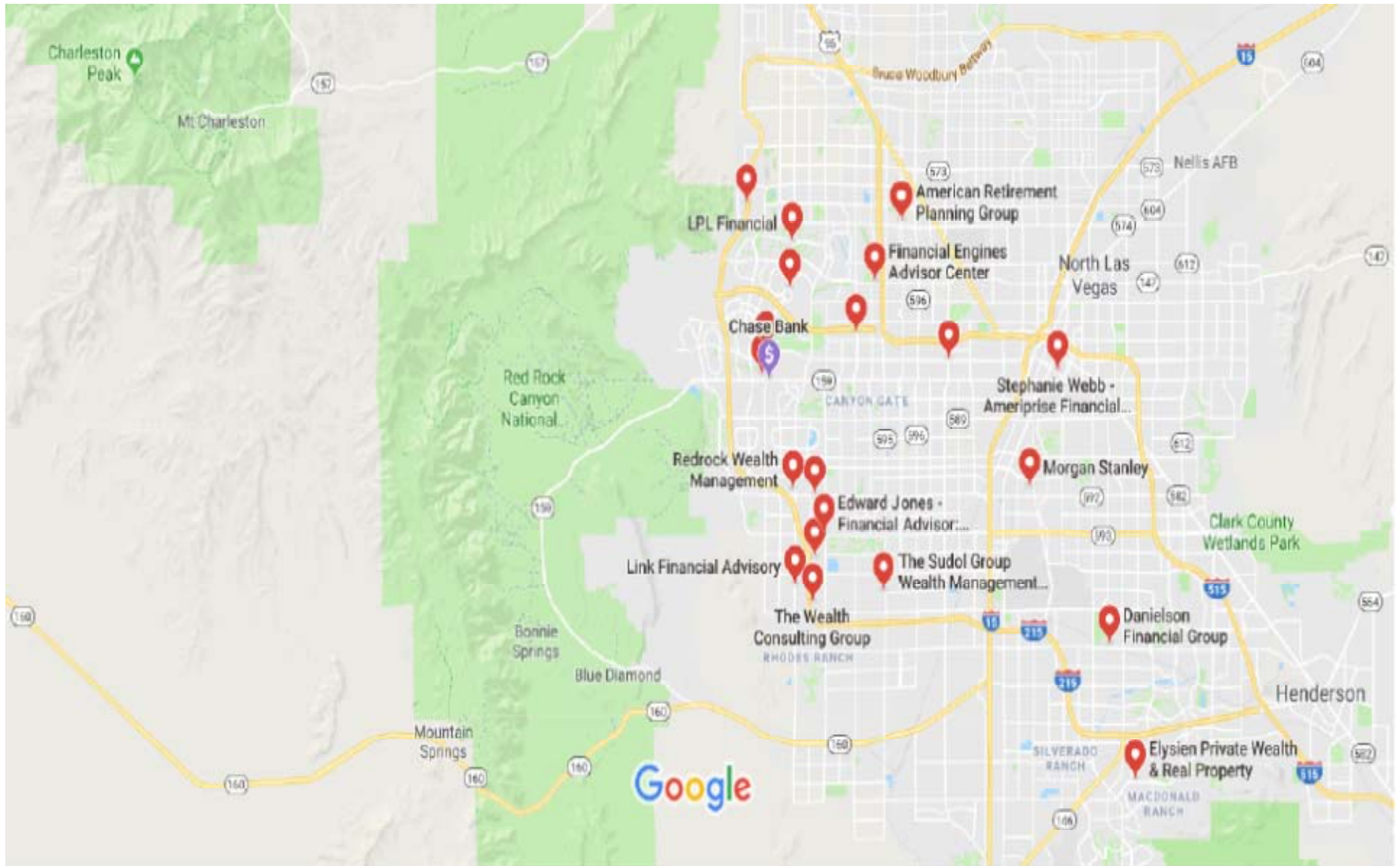
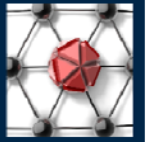
- 2- Holistic Planning Practice

- (a) Not Product Driven

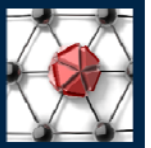
- 3- Agree to refer clients

- (a) No commission split (can pay referral fee)

# Identify Prospects/Profile of Ideal Clients







- **Property & Casualty Agencies (P&C)**

- 1- Local or Regional

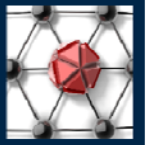
- (a) Insurance department with management structure & sales force

- 2- Agents licensed to sell life, health & LTC insurance

- (a) 5-50 agents

- 3- Access to individual and business clients

- (a) 500- 2,500 clients



- **Employee Benefit Firms**

- 1- Local or Regional

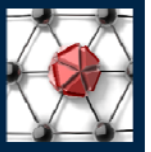
- (a) Specializes working exclusively with Employers

- 2- Dedicated External & Internal Sales Team

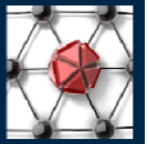
- (a) 5-50 agents

- 3- Small-to-Medium Sized Employers

- (a) 5-250 employees



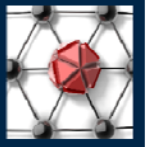
- **What exactly is a value proposition?**
- Explains how your product or service solves customers' problems or improves their situation (relevancy),
- Delivers specific benefits (quantified value)
- Tells the ideal customer why they should buy from you and not from the competition (unique differentiation).



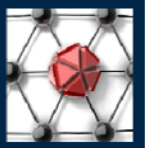
## *Uber's value proposition, offering uber convenience*

- Without explicitly saying so, Uber expertly highlights everything that sucks about taking a traditional taxi and points out how its service is superior.
- One tap and a car comes directly to you
- Your driver knows exactly where to go
- Payment is completely cashless

# Positioning Your LTC Value Proposition

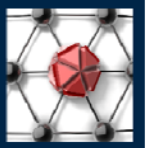


- **We simplify planning for long-term care and the execution of applying for coverage for you and your clients by:**
  - 1- Providing access to our LTC-only specialists.
  - 2- Unbiased recommendations on LTC insurance product solutions.
  - 3- Complete all paperwork for you & clients.



## How about instead...

- 1- Create a tailored made “LTC Financial Risk Analysis” and “Health Care Assessment” for your clients.
- 2- Paperwork is history.
- 3- Add sustainable insurance revenue to your practice.



## “Concierge Service Platform”

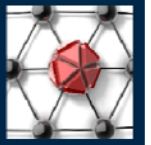
- **Firm/Advisors/Agents**

- 1- Dedicated LTC-only specialists.

- 2- Phone (sales desk) or Live (POS) assistance.

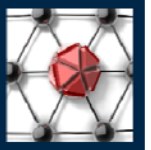
- 3- Assistance with:

- Client LTC Financial Risk Analysis
- Health Care Assessment
- Case Design, Multiple LTC Quote Comparisons
- Consultation with Client
- Completing all Paperwork
- Process/Status all Applications with LTC carriers



- **Employers**
  - 1- Dedicated team
  - 2- “Intellectual Capital”
    - (a) Brochures
    - (b) Process
    - (c) Education
    - (d) Enrollment
    - (e) Post-Sale Support



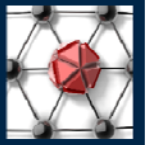


## #1 Commit to Unbiased Approach to LTC Insurance Product Solutions

Definition: Unbiased

- To be unbiased, you have to be 100% fair — you can't have a favorite, or opinions that would color your judgment.

# The Three Paths to LTC Insurance Coverage



- **Traditional LTC Insurance** (Individual & Group)
- **Hybrid/Asset/Linked Based LTC**  
(Life & Annuity)
- **Life Insurance with LTC Rider**

# The Three Paths to LTC Insurance Coverage

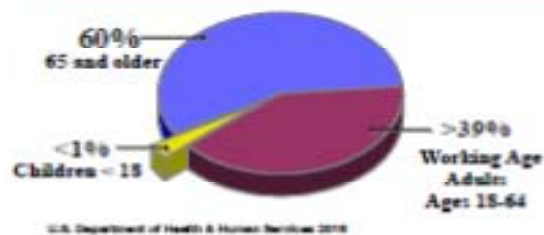


## Simplifying Long Term Care Planning

### “The Three Paths to LTC Insurance Coverage”

#### Traditional, Stand-alone LTC

##### Who Needs Long-Term Care?



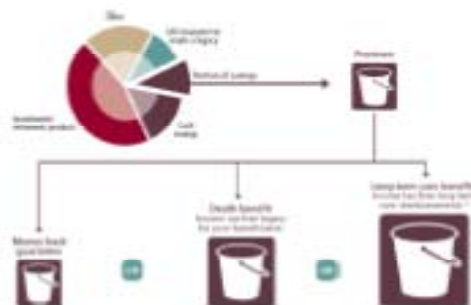
#### Highlights:

- Pay as you go policy
- Premiums may be least costly
- Inflation protection
- State partnership benefits
- Premiums could be tax deductible

#### Decision Points:

- LTC #1 coverage goal
- Spread out premium payments
- Insuring both spouses
- Tax advantages and discounts for business owners
- Premiums may increase

#### Asset Based Life/LTC Insurance



#### Highlights:

- Single or short-pay premium
- Return of premium
- Comprehensive LTC benefits
- Inflation protection
- Simplified underwriting

#### Decision Points:

- LTC #1 coverage goal
- Guaranteed Life & LTC benefits
- Pre-fund premiums
- Tax-free exchange from existing policy
- Cash strong clients
- Premiums cannot increase

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#### Life Insurance with LTC Rider



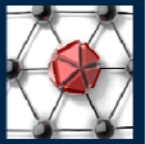
#### Highlights:

- Life insurance policy with LTC rider
- Accelerates portion of death benefit each month tax-free
- Unused portion payable to beneficiaries tax-free in form of death benefit
- Premium flexibility (1-to-10, to age 65, Life Pay)

#### Decision Points:

- Life insurance and LTC coverage goals
- Asset or investment for family (IRR)
- Premiums cannot increase
- May initially have greater LTC monthly benefits
- Business buy-sell funding

# Best Practices - Client LTC Financial Risk Analysis

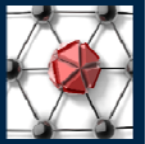


## INSURANCE POOL OF MONEY (LTC Expense Account) Versus INVEST AND SELF FUND CARE

This report illustrates the future value of insurance benefits available at time of care versus the amount of money available from a personal investment strategy.

Pool of Money Scenarios	A	B	C
<b>Mr. Client</b>			
Current Age	62	62	62
Age Care Begins	80	85	90
<b>Insurance Benefits</b>			
Benefit - Today	\$8,000/Mon	\$8,000/Mon	\$8,000/Mon
Benefit Duration	4.00 Years	4.00 Years	4.00 Years
<b>Beginning Pool of Money *</b>	<b>\$384,000</b>	<b>\$384,000</b>	<b>\$384,000</b>
Inflation Benefit Annual Increase	3.0% Compound	3.0% Compound	3.0% Compound
Benefit - Start of Care	\$13,621/Mon	\$15,790/Mon	\$18,306/Mon
<b>Future Pool of Money (start of care) **</b>	<b>\$683,745</b>	<b>\$792,648</b>	<b>\$918,896</b>
Cost (Annual Premium)	\$2,500	\$2,500	\$2,500
Premium Duration	Annual	Annual	Annual
<b>Investment Fund to Match Insurance Benefits</b>			
Investment After Tax Rate of Return	5%	5%	5%
<b>Lump Sum Deposit Needed Today, or</b>	<b>\$251,407</b>	<b>\$228,358</b>	<b>\$207,423</b>
<b>Annual Deposits Until Age Care Begins</b>	<b>\$20,483</b>	<b>\$16,124</b>	<b>\$13,260</b>
<b>Care Days: Investment Fund Versus Insurance</b>			
<b>Premium or Investment Deposit</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>
Total Amount To Start of Care	\$48,000	\$67,500	\$70,000
If Invested At Above Rate of Return	\$73,848	\$108,766	\$153,307
Care Days Paid By Investment Fund	165	210	255
Care Days Paid By Insurance	1460	1460	1460

# Best Practices – Health Care Assessment



Complete this form and have your advisor return it to the Retirement Institute Income Planning Team.  
IPLNDESK@nationwide.com  
Fax: 1-855-256-4220

Have questions? Call 1-877-245-0763

## Health Care/LTC Cost Assessment Fact Finder

Wholesaler name: \_\_\_\_\_ Meeting reference: \_\_\_\_\_

Report type requested:  Medicare costs only  Long-term care costs only  Both

REPORT REQUESTED BY:		<input type="checkbox"/> BROKER/DEALER	<input type="checkbox"/> BGA	<input type="checkbox"/> IMO	<input type="checkbox"/> RIA
First Name:	Last Name:				
Firm/BGA/IMO Name:	Phone:				
Send Report To (Email):	Address (Street, City, State, Zip Code):				

### Client and spouse/partner information

Couples and partners sharing a household should complete all of the fields below, even if you are planning for only one spouse or partner. The assessment considers the availability of receiving care from a spouse or partner in determining the health care and long-term care cost estimate.

	First Name	Last Name	Gender	Current Age	Retirement Age	Retirement Location(s)	
						State(s)	Metro region(s) (see back for full list)
Client							
Spouse/ Partner							

Assessment questions <i>Check Yes or No</i>	Client's response	Spouse's/partner's response
If you plan to retire prior to age 65, will you need to purchase private health insurance?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>CURRENT HEALTH</b> <i>Assessment is not designed for persons already diagnosed with Alzheimer's, Parkinson's or other disqualifying conditions.</i>		
Diagnosed with high blood pressure?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Diagnosed with high cholesterol?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Diagnosed with type 1 diabetes?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Diagnosed with type 2 diabetes?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Diagnosed with cardiovascular disease?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Years since diagnosis: _____	Years since diagnosis: _____
Diagnosed with cancer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Years since diagnosis: _____	Years since diagnosis: _____
Diagnosed with multiple sclerosis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>LIFESTYLE &amp; HEALTH HISTORY</b>		
Currently a tobacco user?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dependent on cane, walker or wheelchair?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Family history of diabetes or cardiovascular disease?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

### Annual income in retirement

Select the range that best fits your actual or estimated post-retirement income (not your income level before retirement). Use your modified adjusted gross income (MAGI) and assume today's dollars. Your retirement income helps determine the cost for Medicare Parts B & D.

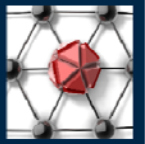
Married filing jointly: married couples filing a joint tax return	Individual: for single persons filing an individual tax return	
	Individual 1	Individual 2
<input type="checkbox"/> \$170,000 or less	<input type="checkbox"/>	<input type="checkbox"/> \$85,000 or less
<input type="checkbox"/> \$170,001 to \$214,000	<input type="checkbox"/>	<input type="checkbox"/> \$85,001 to \$107,000
<input type="checkbox"/> \$214,001 to \$267,000	<input type="checkbox"/>	<input type="checkbox"/> \$107,001 to \$133,500
<input type="checkbox"/> \$267,001 to \$320,000	<input type="checkbox"/>	<input type="checkbox"/> \$133,501 to \$160,000
<input type="checkbox"/> more than \$320,001	<input type="checkbox"/>	<input type="checkbox"/> more than \$160,001

### Medicare coverage (select only one option)

All Medicare premiums plus additional medical costs will be used as the default option if no other option is selected. Not required for LTC-only reports.

Include Medicare parts A, B, & D plus supplemental insurance premiums and out-of-pocket expenses.	<input type="checkbox"/>
Include Medicare parts A, B & D plus supplemental insurance premiums only.	<input type="checkbox"/>
Include Medicare parts A, B & D only.	<input type="checkbox"/>
Include Medicare parts A & B only.	<input type="checkbox"/>

# Best Practices - SALES



Personalized Health Care Cost Assessment  
prepared by Sample Producer

## Long-term Care Expense Detail

The costs estimated in this section are specifically for the purposes of providing funding for long-term care expenses. Long-term care begins after one demonstrates the inability to perform at least 2 out of 6 Activities of Daily Living (ADLs) - or- has cognitive impairment, which includes such conditions as Dementia and Alzheimer's.

Jim Smith

The following shows long-term care summary and cost information for Jim Smith in OH, metro region State Average. Projected amounts are expressed as future dollars.

**Should you need long-term care, it is projected to begin around age 77 in 2035.**

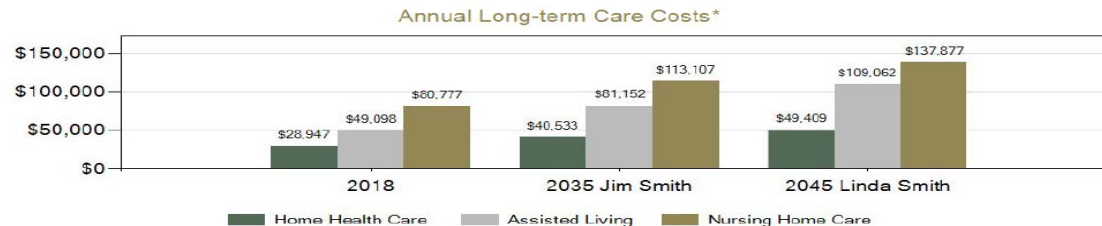
	Home Health Care	Assisted Living	Nursing Home Care
Monthly Cost Today	\$2,412	\$4,092	\$6,731
Annual Cost Today	\$28,947	\$49,098	\$80,777
Projected Inflation Rate*	2.0%	3.0%	2.0%
Projected Monthly Cost at Claim	\$3,378	\$6,763	\$9,426
Projected Annual Cost at Claim	\$40,533	\$81,152	\$113,107

Linda Smith

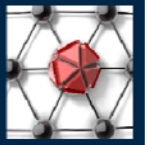
The following shows long-term care summary and cost information for Linda Smith in OH, metro region State Average. Projected amounts are expressed as future dollars.

**Should you need long-term care, it is projected to begin around age 87 in 2045.**

	Home Health Care	Assisted Living	Nursing Home Care
Monthly Cost Today	\$2,412	\$4,092	\$6,731
Annual Cost Today	\$28,947	\$49,098	\$80,777
Projected Inflation Rate*	2.0%	3.0%	2.0%
Projected Monthly Cost at Claim	\$4,117	\$9,088	\$11,490
Projected Annual Cost at Claim	\$49,409	\$109,062	\$137,877



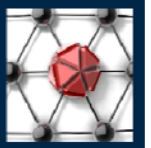
\* The inflation rates assumed in this report are based on publicly available cost of care surveys from 2007 to 2015. Actual experience will be different from the average. The actual future inflation rates will be different from historical rates. The assumed inflation rates continue to be reviewed as data becomes available. The lowest and highest observations



## Traditional LTC

### Individual Clients

- Leverage lower premiums to maximize LTC benefits
- Larger “pool of money” in future to pay for LTC expenses through built-in inflation growth of 1-5%
- Shared LTC benefits for spouses/partners
- Use of “Cash” benefit to pay for home care expenses
- Designing coverage to pay for declined spouse/partner



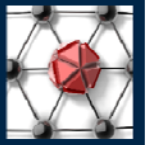
## Traditional LTC

### Business Clients

- Per HIPPA, choose owner/key executive as a “select class.”
- Premiums funded 100% through business
- Spouses included
- Policies fully portable
- \*Tax deductible to company
- \*LTC benefits tax-free
- \*Premiums are not taxed as ordinary income

\*[IRC 7702B, 104(a)(3) and 105]





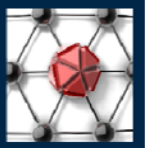
## Hybrid/Asset/Linked Based LTC

Client Profile: Business Owner

### Business Continuation

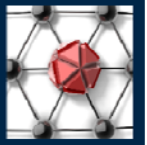
- Owner/Executive unable to work due to a chronic illness
- Buy-Sell LTC agreement
- Key-Person LTC Agreement -
  - \*Executive (Section 162) Bonus Agreement with LTC Kicker

\*IRC Section 162



## Hybrid/Asset/Linked Based LTC

- Client Profile: Business Owner
  - 1- Pass-through Entity
  - 2- Money on the books to invest with tax advantages
- Solution:
  - 1- A linked based Life/LTC policy
  - 2- Death Benefit can be paid to business
  - 3- Owner sells the business and policy can be transferred
  - 4- No tax liability



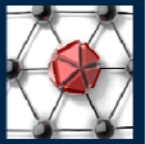
## Hybrid/Asset/Linked Based LTC

Client Profile: Business Owner

### Cross Purchase Buy Sell Agreement

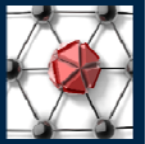
- Funded through a Life/LTC cash indemnity contract
- Partner A needs LTC, Partner B receives monthly payments from LTC contract
- Partner B uses to fund monthly installments for Partner A buyout
- \*Life and LTC benefits paid tax-free

\*Section 7702, IRC 7702B, 101(g)(5)



<h2>Long Term Care Insurance</h2> <p>Business Plan For XYZ Company</p>			
			<h3>Year</h3>
<p>Information Provided by: (Your Company Logo)</p>			
<p>Your Company Address</p>			

# Business Plan



## 1.0 Executive Summary

Your Company Name will provide an internal & external LTC insurance support platform to assist XYZ COMPANY and its agents with marketing, selling, designing and implementing LTC insurance planning & product solutions.

### 1.1 Objectives

1. LTCI paid premium of \$ TBD in 2014, \$TBD in 2015 and \$TBD in 2016.
2. LTCI revenue of \$TBD in 2014, \$TBD in 2015 and \$TBD in 2016.

### 1.2 Mission

Your Company Name LTC is dedicated to providing a "one-stop" resource for assistance with marketing, selling and processing of Long Term Care insurance business for XYZ COMPANY and its agents. Our clients, whether national, regional or local will increase its LTCI sales by working with our experienced Your Company Name LTC Sales Consultants and highly-trained administrative support staff. We will always provide unbiased, sophisticated solutions to insurance and agents and their clients as our main priority.

### 1.3 Keys to Success

1. Partnering with committed XYZ COMPANY management
2. Partnering with committed XYZ COMPANY agents
3. Development of consistent LTC marketing, sales & education campaign for XYZ COMPANY SENIOR CONSULTANTS agents & clients

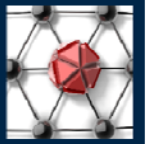
## 2.0 Services

Our primary service will be consulting with XYZ COMPANY agents and their clients on the need for LTC insurance. This service is mainly handled by our team of dedicated internal & external Your Company Name LTC Sales Consultants. Your Company Name LTC Sales Consultant will provide A-Z assistance for XYZ COMPANY agents by pre-screening a client's health status, running insurance quotes and ultimately designing the right coverage for the client. Other value-added services include the processing of all insurance applications from our office direct to our insurance carrier partners.

Moreover, XYZ COMPANY agents will be able to reach out to a local Your Company Name LTC SVP for assistance at the client level (not available in all areas)

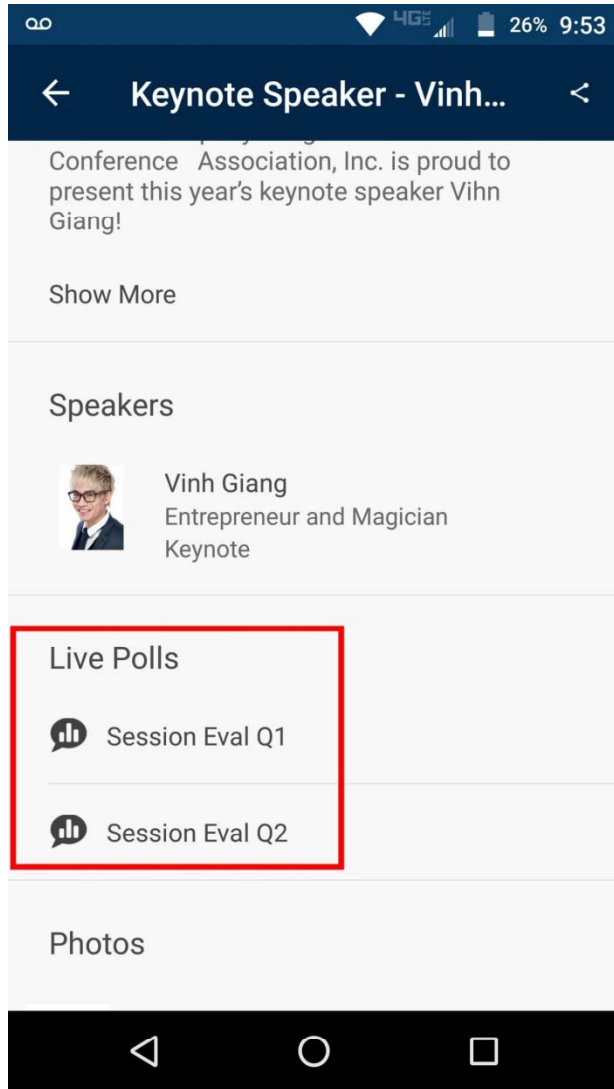
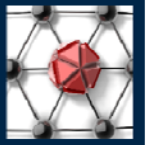
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# Revenue Stream Projections



LTC Sales Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Total
*Traditional LTC Paid	\$30,125	\$41,500	\$62,750	\$85,950	\$115,250.00	\$335,575.00
Hybrid LTC Paid	\$125,000	\$175,000	\$225,000	\$350,000	\$420,000.00	\$1,295,000.00
Total LTC Revenue	\$155,125	\$216,500	\$287,750	\$435,950	\$535,250.00	\$1,630,575.00
*Includes LTC renewals						

# Session Survey Instructions



Once you are in the app go to the schedule and the session you are in.

Scroll to the bottom to find the Live Polling questions.

This year the session survey questions can be found in this section and will take just a couple seconds to complete.