

Producers & Sales

Which Product for Which Client?

- **Bill Comfort, Moderator**
- **Betty Doll**
- **David Wolf**



ILTCI Mobile App Download Instructions

 iPhone
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- 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
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 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>.



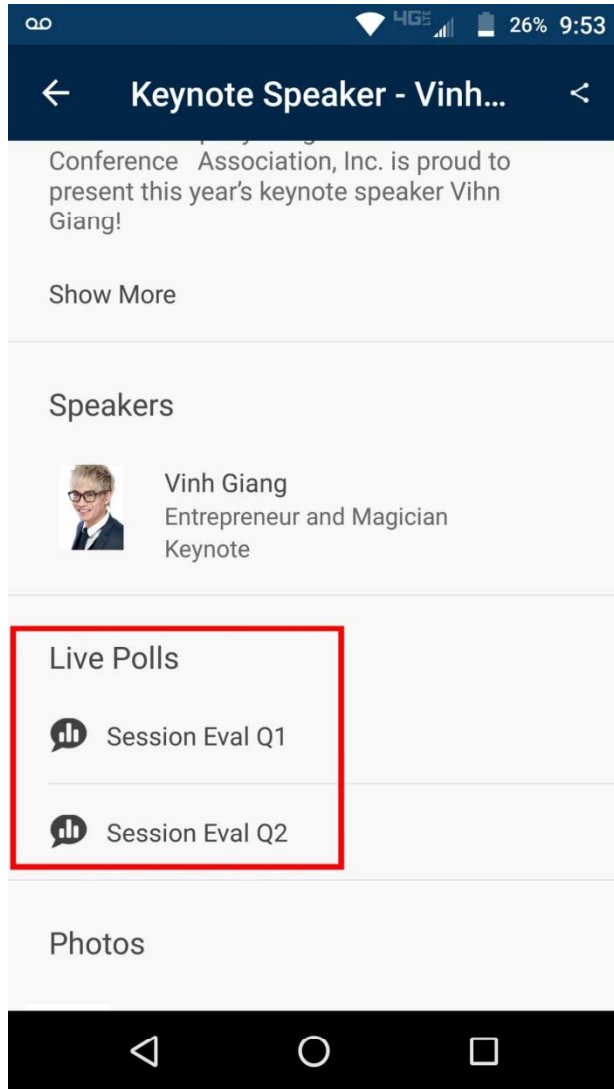
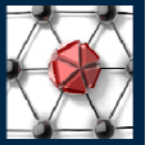
You can also just go to your app store and search ‘AttendeeHub’. Once installed search ‘ILTCI’ and you’ll find our app.

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Session Survey Instructions

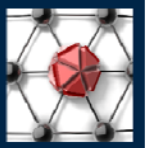


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This year the session survey questions can be found in this section and will take just a couple seconds to complete.

Which Product

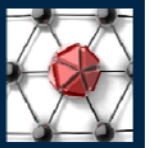


- Traditional LTCI
- Hybrid life + LTCI
- Hybrid annuity + LTCI

- Life insurance + LTCI ADB
- Life insurance + Chronic Illness Rider

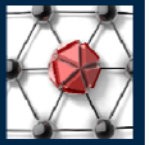
- Short-term care?

Traditional LTC Insurance



- Is not dead
 - Fewer carriers not an issue - DI experience
- Is not in a “death spiral”
 - No evidence: low lapses remain, can’t replace, “reserve” pricing
- Will not (cannot) have future rate increases like past rate increases
 - 1% lapse, low reserve %, credible claims
 - “Past performance (rate increase) is no guarantee of future returns (rate increases).”*

Key Facts to Discover



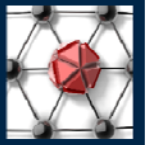
- **Health, health, health.**
- **Who are they?** Get to know the clients
 - Do they have kids? Where do they plan to live/retire?
- **Income**
 - What is current income? Planned retirement income - where will it come from? Withdrawing now?
- **Assets**
 - How much excluding the home? What form?
 - Existing life insurance or annuities?
- **Family history**
 - Get a feel for their personal experience with aging. Did a parent or family member need LTC? How long? Who paid? Check for dementia/Alz. and general longevity.

Key Questions



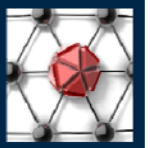
- Is this something you're just starting to look into, or have you been looking at it for a while?
- Why now?
 - What, specifically, made you look for this information/take the time for this meeting now?
- If you needed long-term care, what would be your biggest concern?
- Do you have any preferences on how, if you needed it, you might like to receive your care later?
- What have you read or heard about long-term care insurance?

Case Study



- 58-year-old couple, “standard” health
- Both employed, \$150,000 income
- \$700,000 in 401(k), qualified funds
- \$100,000 non-QF savings
- \$300,000 home equity
- \$110,000 projected retirement income

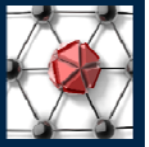
Case Study – What if ...



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- Both employed, \$150,000 income
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- **Don't plan to leave the kids any \$**

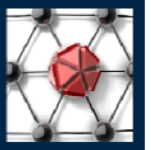
Case Study – What if ...



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- **\$300,000 inheritance**

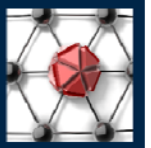
Case Study – What if ...



- 58-year-old couple, **wife “uninsurable”**
- Both employed, \$150,000 income
- \$700,000 in 401(k), qualified funds
- \$100,000 non-QF savings
- \$300,000 home equity
- \$110,000 projected retirement income

- **Insurability issues**

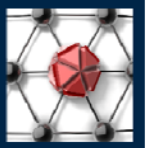
Case Study – What if ...



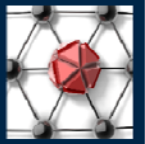
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- **One spouse is self-employed?**

A Tale of Two Advisors



- **Financial Advisor A**
 - Sold a small Stand-Alone LTC Contract in the past
 - Proposed Supplementing with another Stand-Alone LTCL Policy
- **Financial Advisor B**
 - Proposed a Combo LTC Product with a rather small single premium \$50K per spouse
 - Had more “depth of client relationship”, client wanted to work with this advisor
- **Solution:**
 - Reached out to Advisor B and proposed a solution, won her over
 - She was not accounting for pre-tax funding capacity



Client 5 (Mr.)
Life+LTC Combo / Traditional LTC

Oregon, age 74

LTC benefit: 6-year benefit, 90-day elimination, no inflation, comprehensive SNF, ALF & HHC

						Monthly Long-Term Care Benefit:				
	<u>Initial Premium</u>	<u>Additional Ann Prem.</u>	<u>Initial DB</u>	<u>Gty'd DB</u>	<u>Guaranteed to age:</u>	<u>Initial</u>	<u>Age 80</u>	<u>Age 85</u>	<u>Age 90</u>	
Life + LTC Combo										
Company A	N/A	(Max issue age for single premium is age 70)								
Company B	50,000	0	59,600	52,251 ¹	120	2,177	2,177	2,177	2,177	
Company C	63,000	0	63,000	63,000 ¹	120	2,532	2,532	2,532	2,532	
<hr/>										
	<u>Amount</u>	<u>Yield</u>								
Traditional LTC (5-year benefit)										
Company D	50,000									
4% Interest		2,000				3,059	3,059	3,059	3,059	
5% Interest		2,500				3,824	3,824	3,824	3,824	
6% Interest		3,000				4,589	4,589	4,589	4,589	
Company D (pre-tax at 39.6%)										
4% Interest		2,000				5,064	5,064	5,064	5,064	
5% Interest		2,500				6,331	6,331	6,331	6,331	
6% Interest		3,000				7,598	7,598	7,598	7,598	

(1) Guaranteed Death Benefit assuming no LTC payments



**Client 5 (Mrs.)
Life+LTC Combo / Traditional LTC**

Oregon, age 69

LTC benefit: 6-year benefit, 90-day elimination, no inflation, comprehensive SNF, ALF & HHC

Monthly Long-Term Care Benefit:

	<u>Initial Premium</u>	<u>Additional Ann Prem.</u>	<u>Initial DB</u>	<u>Gty'd DB</u>	<u>Guaranteed to age:</u>	<u>Initial</u>	<u>Age 80</u>	<u>Age 85</u>	<u>Age 90</u>
Life + LTC Combo									
Company A	62,500	0	106,886	62,500 ¹	120	2,500	2,500	2,500	2,500
Company B	50,000	0	74,000	62,654 ¹	120	2,611	2,611	2,611	2,611
Company C	60,000	0	65,896	60,934 ¹	120	2,538	2,538	2,538	2,538
<hr/>									
	<u>Amount</u>	<u>Yield</u>							
Traditional LTC (5-year benefit)									
Company D	50,000								
4% Interest		2,000				2,959	2,959	2,959	2,959
5% Interest		2,500				3,698	3,698	3,698	3,698
6% Interest		3,000				4,438	4,438	4,438	4,438
Company D (pre-tax at 39.6%)									
4% Interest		2,000				4,899	4,899	4,899	4,899
5% Interest		2,500				6,123	6,123	6,123	6,123
6% Interest		3,000				7,348	7,348	7,348	7,348

(1) Guaranteed Death Benefit assuming no LTC payments



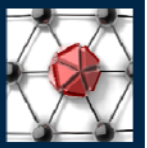
Clients 5

Oregon, ages 69 & 74
100% Home Care, Assisted Living and Nursing Care
90-day elimination, 2-apply discount, TQ
3% compound inflation
Federal savings assumption of 39.6%

Annual premiums:

	<u>Mr.</u>	<u>Mrs.</u>	<u>Total</u>
Existing Coverage (no inflation)	1,599.72	1,047.12	2,646.84
New Coverage	<u>3,212.56</u>	<u>3,787.98</u>	<u>7,000.54</u>
TOTAL:	4,812.28	4,835.10	9,647.38
<hr/>			
Pre-tax of 39.6% in 2016			
Total Coverage	TOTAL: 2,906.62	2,920.40	5,827.02

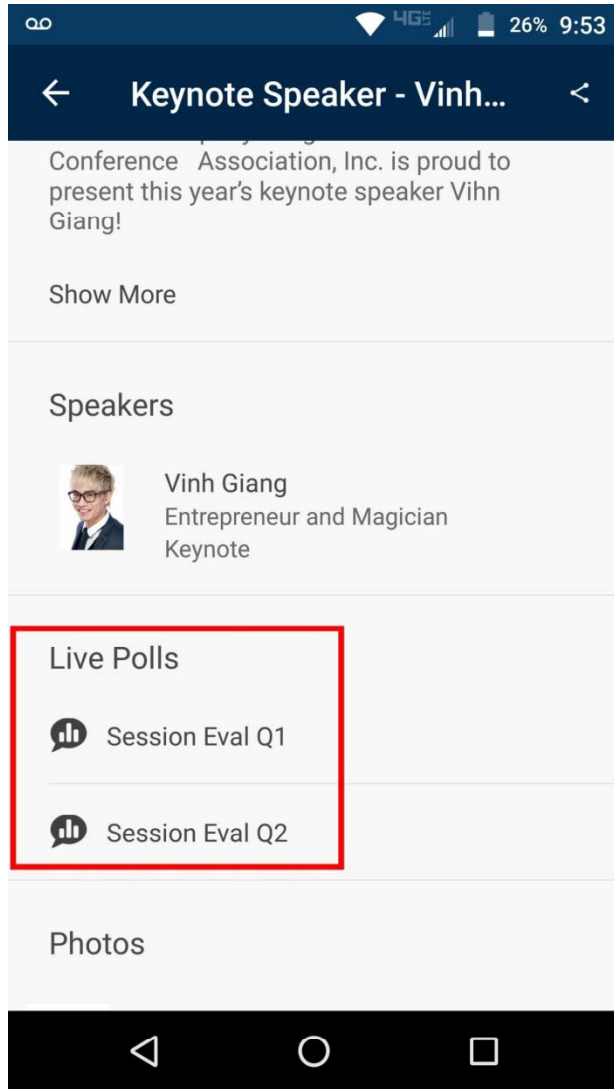
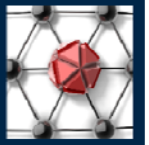
Which Product for Which Client?



- Traditional vs. Hybrid vs. Rider

***One is neither better nor worse
than the others ...
... they are different ways to fund***

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