



GPAGENCY

# AGENT'S INTRODUCTION AND TRAINING GUIDE FOR LONG TERM CARE INSURANCE

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# GPAGENCY LTCI INTRODUCTION



As a leading provider of long term care insurance (LTCi), GPAgency has worked diligently to make the sale and processing of LTCi much simpler and more profitable for our producers. Through our vast experience in the industry, we have dedicated our team to identifying the most appropriate ways to help producers through the process of selling and placing LTCi cases. GPAgency makes the process efficient, while offering access to the broadest selection of quality LTCi products and carriers available in the marketplace.

## LTCI SALES AND BACK-OFFICE SUPPORT

It is our mission to provide producers with the perfect client experience and we have dedicated our time and energy to providing full-service LTCi sales and back-office support throughout the entire case process, including:

- ✓ Agent Contracting
- ✓ Marketing Support
- ✓ Carrier Selection
- ✓ Plan Design and Proposal Generation
- ✓ Application Processing
- ✓ Medical Pre-Qualification
- ✓ Policy Service

## COMPETITIVE LTCI CARRIERS AND PRODUCTS

We are proud to be able to offer access to the leading, top-rated LTCi carriers in the industry. These relationships allow us to provide producers with a thorough analysis of all the options available to answer clients' LTCi needs, including traditional LTC and hybrid LTC alternatives.

|                  |  |             |  |  |
|------------------|--|-------------|--|--|
| TRADITIONAL LTCI |  | HYBRID LTCI |  |  |
|                  |  |             |  |  |
|                  |  |             |  |  |
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# GETTING STARTED SELLING LTCI WITH GPAGENCY



## CONTRACTING AND LICENSING




All licensing requirements MUST be complete before you begin offering Long Term Care insurance (LTCi) to your clients. For more information on licensing procedures, contact GPAgency. *Please note:* if you are appointed through another agency and have submitted business within the last six months, you must be released prior to submitting licensing paperwork. Please submit a copy of your release letter with your appointment paperwork. GPAgency CANNOT obtain this release for you.

## CONTINUING EDUCATION REQUIREMENTS (CE)

Most states require an eight hour NAIC partnership training course with a four hour refresher course every two years, however there are several states that have specific training requirements. Please check your state department of insurance website for state specific training requirements.




## REQUIRED CLIENT MATERIALS

The following materials MUST be presented to ALL potential clients.

-  **The Guide to Medicare**  
MUST be presented to anyone age 65 or older.
-  **The NAIC Shoppers Guide**  
MUST be presented to ALL applicants.
-  **Outline of Coverage**  
MUST be presented to ALL applicants, but is usually a part of the application package and isn't ordered separately.

## REQUIRED HEALTH ASSESSMENTS

Depending on the age and health of the prospective insured, some or all of the following information may be required:

-  **Telephone or Face to Face Interview, MIB Report, Prescription Drug Report, Functional and Cognitive Assessment**  
A licensed health practitioner (usually a nurse) will visit the prospective insured to obtain/complete this information. You should advise your clients to expect a call to schedule this meeting.
-  **Attending Physician Statement (APS)**  
Medical records could also be requested from the client's doctor to document the medical history.
-  **Paramedical Examination**  
This exam is completed by an approved paramedical facility and includes questions about medical history, blood pressure readings and height/weight measurements, and may include collection of blood and urine specimens.



# SELECTING AN LTCI POLICY: FIVE IMPORTANT STEPS

GPAgency understands that each long term care insurance (LTCi) case is unique, but we have identified five important steps that will help you identify which carrier may better match the needs of your client based upon health, marital status (or other living arrangements) and age.

## 1. FINANCIAL RATINGS





The financial security of the carrier issuing the LTCi policy is one of the most important points to consider when selecting a policy. GPAgency only offers access to carriers that maintain at least an "A" rating from at least one of the following top rating services: A.M. Best, Standard & Poor's and/or Moody's.

## 2. MEDICAL UNDERWRITING

Your client's health will often determine which carrier is recommended. Depending on the medical condition of your client, certain carriers will underwrite applicants that other carriers typically decline. These carriers may offer "sub-standard rates" or will issue the policy on a "rated" basis, which increases the premium for clients afflicted with certain medical conditions. Several carriers offer preferred rates for applicants in good health and/or who meet certain requirements, such as non-smoking status or particular height/weight ratios.

## 3. OBTAIN YOUR CLIENT'S MEDICAL INFORMATION

To obtain the necessary information for medical underwriting, ask your client the following questions prior to the appointment:

-  *Have you been hospitalized at any time during the last ten years? If so, for what conditions?*
-  *What medications are you currently taking? For what condition(s) were these prescribed?*
-  *What is your height and weight?*
-  *Is there anything else that I should know about your health?*

## 4. SPOUSAL DISCOUNT

All of GPAgency's LTC carriers offer spousal discounts. Some carriers will provide discounts when both spouses apply and are approved for coverage, while other carriers will provide a discount regardless of whether the spouse applies or applies for different coverage. Certain carriers also offer discounts for friends or family members living together. **Please note:** spousal discounts may vary based on the applicant's state of residence.

## 5. PREMIUM TOLERANCE

Some LTCi plans are more robust, while others may offer a more basic level of coverage - it is important to find a policy that provides adequate LTC coverage while remaining within your client's budget.

# Primary Components of LTCi Case Design



The following are guidelines that GPAgency has established for selecting the combination of benefits that will give your client the most appropriate, cost-effective long term care (LTC) coverage. We suggest that you incorporate these guidelines surrounding the components of long term care insurance (LTCi) into your future quote requests.

## DAILY/MONTHLY AND HOME HEALTH CARE BENEFIT

GPAgency offers comprehensive policies that provide coverage for home health care, adult day care, nursing home care, assisted living care and hospice care.

We typically recommend the monthly benefit be 100% of the prevailing daily LTC cost associated with a stay in a semi-private nursing home in your client's area.

## BENEFIT PERIODS



### Traditional LTCi

The average benefit period is between three and five years.



### Hybrid LTC Policies

The average benefit period may vary depending upon the product. Each carrier has its own preferred benefit period structuring, some offering as much as lifetime coverage.

## INFLATION PROTECTION



### Compound 1% - 5%

A majority of carriers offer compound inflation protection (3% is most commonly chosen) in which the benefit will increase by the chosen amount on an annual basis.



### Simple 3% and 5%

Only a few carriers offer simple inflation protection; please contact the LTC Solution Center Sales Desk with any questions regarding simple inflation options.



### Step-Rated 3% and 5%

This inflation option increases the benefit and premium simultaneously and is offered by few carriers.

## ELIMINATION PERIODS

The elimination period is the 'waiting period' before benefits begin to be paid, and determines the future out of pocket cost for the selected time period. Elimination period options include 30, 60, 90, 180 and in some cases 365 days - the most common is 90 days.

## CALCULATING THE PREMIUM

To determine the most cost-effective policy (the most value), base your comparison on the following components:



### Daily Benefit Amount



### The Benefit Period (1 yr.- 7 yrs., lifetime)



### Home Health Care Amount



### Selected Elimination Period



### Selected Inflation Protection Option



### Eligible Discounts (spousal, group, etc.)



### Underwriting Level (preferred vs standard vs sub-standard)



### Non-Forfeiture and Other Riders



# GPAgency Traditional LTCi Carrier Summary

GPAgency works with the leading traditional long term care insurance (LTCi) carriers in the industry and we understand that each carrier/product has particular strengths in the marketplace. We have designed this summary to highlight the strengths of each of our LTCi carriers. Please reach out to GPAgency with questions or for additional information on any of the carriers/products mentioned in this summary.

## MUTUAL OF OMAHA

### MUTUAL CARE SOLUTIONS: SECURE AND CUSTOM

- ⊕ **Benefit Eligibility:** determined upon review of a chronically ill claim and upon approval they will arrange for a plan of care to be developed by a licensed health care practitioner that Mutual of Omaha designates.
- ⊕ **Elimination Period:** based on calendar days not service days.
- ⊕ **Benefit Amount:** includes cash benefit equal to 30%/40%\* of home health care, maximum \$2,400 monthly benefit plus inflation.
- ⊕ **Spouse Security Benefit:** rider will pay an additional 60% of the monthly reimbursed benefit that can be used to help pay for care or living expenses for an uninsured partner, while the insured is on claim. Use of this rider will not reduce the insured's policy limit.

## TRANSAMERICA

### TRANSCARE III

- ⊕ **Comprehensive Coverage:** with no benefit differential for home care.
- ⊕ **Three Year Rate Guarantee and Cash Benefit:** built-in to all policies at no additional premium.
- ⊕ **Elimination Period (EP):** built-in 0-day EP for home health care.
- ⊕ **Optional Benefits:** shared care, return of premium, monthly home care, elimination period credit rider and six benefit increase options, all available for additional premium. *Note: increases under the benefit increase option continue when the insured is on claim.*

## NATIONAL GUARDIAN LIFE (NGL)

### ESSENTIAL LTC

- ⊕ **True Joint Coverage:** a unique offering to our traditional LTCi portfolio. NGL bases the premium rate off of the female rate, using the oldest age of the two individuals.
- ⊕ **Funding Options:** paid up over 10 years, on-going premium for life, single lump sum or use of existing cash value from a life or annuity policy via 1035 exchange.
- ⊕ **Benefit Period:** lifetime coverage is available.
- ⊕ **Optional Benefits:** shared care (third pool), full or limited return of premium, waiver of premium rider, first day home and community care services (HCCS) rider and four benefit increase option riders, available for additional premium.

\* 30% for MutualCare Secure, 40% for MutualCare Custom, both max at \$2,400 per month.  
Policy riders are available at an additional cost and may not be available for all products. Terms and conditions apply.

# GP Agency Hybrid LTCi Carrier Summary



GP Agency works with the leading hybrid long term care insurance (LTCi) carriers in the industry and we understand that each carrier/product has particular strengths in the marketplace. We have designed this summary to highlight the available options and strengths of each of our hybrid LTCi carriers. Please reach out to GP Agency with questions or for additional information on any of the carriers/products mentioned in this summary.

## FORETHOUGHT

### FORECARE

- ⊕ **Hybrid Type:** fixed annuity, provides income tax free LTC benefits for qualified expenses
- ⊕ **Benefit Amount:** can be equal to two or three times the premium amount, dependent on health status
- ⊕ **Death Benefit:** at death, all remaining contract value will pass directly to beneficiaries

## MINNESOTA LIFE INSURANCE COMPANY | SECURIAN

### SECURECARE

- ⊕ **Hybrid Type:** single premium universal life w/LTC benefits, paid as indemnity
- ⊕ **Inflation Options:** 3% simple, 5% interest and 5% compound
- ⊕ **Funding Options:** lump sum, 5, 7, 10 and 15 pays (1035 exchanges are permitted)

## ONEAMERICA

### ASSETCARE

- ⊕ **Hybrid Type:** whole life with access to 100% of the death benefit for LTC purposes
- ⊕ **Policy Structure:** individual or joint solution with the option of adding a life time continuation of benefits rider<sup>1</sup>
- ⊕ **Funding Options:** lump sum, 5, 10, 20, or pay to age 95, annuity funding whole life accepts qualified or non-qualified funds (Qualified as sets may be used for clients older than 59 <sup>1/2</sup> - subject to taxation)
- ⊕ **Inflation:** 3% and 5% compound (choose 20 yrs or lifetime)

## LINCOLN

### MONEYGUARD III

- ⊕ **Hybrid Type:** universal life with LTC rider, provides guaranteed benefits to reimburse qualified care
- ⊕ **Funding Options:** single pay, 10-pay, or paid up to age 70 (1035 exchange from existing life policies are permitted)
- ⊕ **Inflation Options:** 3% and 5% compounded
- ⊕ **Optional Benefits|Discount:** Transitional care assistance benefit and terminal illness rider

## NATIONWIDE

### CAREMATTERS II

- ⊕ **Hybrid Type:** universal life with LTC rider, provides monthly indemnity benefits
- ⊕ **Funding Options:** single pay, paid up over five or 10 yrs, pay to age 100 (1035 exchanges are permitted)
- ⊕ **Inflation Options:** 3% simple, 3% or 5% compound
- ⊕ **LTC Pool:** client may choose to 'benefit bank' any excess funds from the plan to use at a later time and maximize LTC
- ⊕ **Optional Benefits | Discount:** ROP, guaranteed<sup>2</sup> death benefit and marital discount

## ONEAMERICA

### ANNUITYCARE

- ⊕ **Hybrid Type:** single, premium deferred annuity with higher credited rate of interest for qualifying LTC expenses
- ⊕ **Tax Free:** money received for LTC purposes is federal income tax free
- ⊕ **Extended LTC Coverage:** extended LTC bucket purchase option is available (if not already built into the product)



<sup>1</sup> Policy riders are available at an additional cost and may not be available for all products. Terms and conditions apply.

<sup>2</sup> All guarantees subject to the claims paying ability of the issuing insurer.

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# OBTAINING LTCI ILLUSTRATIONS

GP Agency's goal is to assist you in offering your clients an appropriate combination of benefits from a top-rated carrier, at a cost your client can afford. You can reach out to our sales desk to discuss any of our available products and/or request an illustration in the following ways:



## PHONE

Call our office at Raleigh: 800.283.8376 / Greensboro: 800.242.8522 and an associate will be happy to assist you.

**All illustrations will be processed within 24 hours,  
or if received by 3 pm ET they may be sent via email the same day.**



## HELPFUL TIPS TO REMEMBER WHEN SUBMITTING ILLUSTRATION REQUESTS

1. Include the client's marital status, it is important to note even if the other spouse is not applying.
2. If you are not sure what to request, ask us for the average LTC cost in your client's state or provide us with your client's budget. We can often formulate an illustration to suite his/her specific premium tolerance.

