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Brian Gordon

Long Term Care Concerns & Planning

Firemen's Annuity and Benefit Fund Pre-Retirement Seminar

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About Gordon Associates, LTCP

Three GALTCP principles with 100 years of combined LTCL expertise

Represent highly rated carriers

Licensed nationally

Experienced Administrative Staff

Have helped clients collect tens of millions of LTCL benefits

Gordon Associates has worked with financial Professionals for over 30 years

We specialize in:

- Long Term Care Insurance
- LTC Insurance Policy Consulting
- LTC Insurance Claim Consulting
- Medicare Supplements
- Life Insurance
- Disability Insurance
- Annuities
- Short Term Care

Most Would Agree ...

That they **could** live a long life.

Understand it's **possible** that they could become frail and need care as they age.

That they **will** consider acting if they understand that needing care could have serious consequences to their family and retirement portfolio.



Risk Management and Insurance



Wellness

Health Insurance

Transportation

Auto Insurance

Family & Wealth

Life & Disability Insurance

Home

Homeowner's Insurance

Retirement

Long Term Care



Long Term Care



Home Care

Assisted Living

Nursing Facility

Adult Day
Care

Care Coordination
Services

Home
Modification

Primary LTC Funding Options



You and Your Family

Self-fund
Medicare
VA
Insurance

Medicaid

States to Tax
Employees?

Insurance Options

Traditional LTC
Insurance (LTCI-7702B)

Linked Benefit
(Hybrid-7702B)

Life Insurance with LTC
Rider (101g)

Chronic Illness Policy
and/or Rider

Short Term Care
Insurance

When is the best time to buy LTCI?

LONG-TERM CARE INSURANCE APPLICATIONS BY AGE

Age Group	Percentage of applications denied
40 to 49	12.4%
50 to 59	20.4%
60 to 64	30.2%
65 and above	47.2%



Waiting on updated info

Who Needs Care?

Women – 69%
Men – 37%
Average age when claim begins – 78%

Where Care is Given

At home – 52%
In assisted living facility – 26%
In nursing home – 22%

Why People Need Care

Dementia
Heart Disease
Arthritis

*Data based on Mutual of Omaha's internal claims data, 2019

Chicagoland Home and Facility Care Cost

Home Care \$32-\$45+ per hour

8 hours of care \$256-\$360

24/7 Home Care \$350-\$575 per day

Assisted Living \$5,500-\$15,000+ per month

Skilled Nursing \$12,000-\$20,000 per month

Eligible LTCI Premiums

Insured Age EOY	Eligible Premium 2023	Eligible Premium 2024
40 or under	\$480	\$470
41 – 50	\$890	\$880
51 – 60	\$1,790	\$1,760
61 – 70	\$4,770	\$4,710
71 or older	\$5,960	\$5,880

Note: Eligible premium changes each year based on IRS indexing

Rev. Proc. 2021-45

LTC Insurance Issue Age 2022*

Age	<39	40 – 49	50 – 54	55 – 59	60 – 64	65 – 69	>70
2022	6%	17%	14%	24%	26%	14%	5%
2021	24%	21%	14%	16%	16%	8%	3%
2020	3%	10%	14%	28%	28%	14%	5%

*Source: 2023 Millman Long-Term Care Insurance Survey , July 2023



Male/Female 55 Partner/spousal discount included.

	Hybrid Life/LTCI	Hybrid Life/LTCI	Stand-Alone Traditional
	SecureCare III Individual Policies	Asset Care Shared Policy	Essential LTC Shared Policy
Initial LTC Benefit for Facility & Home Health Care (HHC) Today	\$6,000/Month per person	\$6,000/Month per person	\$200/Day per person
Inflation Rider (grows the benefits annually)	3% Compound	3% Compound	3% Compound
Future LTC Benefit Facility & HHC at Age 85	\$14,563/Month per person	\$14,563/Month per person	\$485/Day per person
Benefit Period (length of coverage)	6 Years of Coverage per person	Lifetime Coverage per person	6 Years of Coverage per person
LTC Benefit Initial "Pool" of Money Today (max policy can pay)	\$465,725 per person	Unlimited per person	\$438,000 per person
Future LTC Benefit Initial "Pool" of Money at Age 85	\$1,130,438 per person	Unlimited per person	\$1,063,140 per person
Elimination Period (deductive – out of pocket time)	90 Days HHC & Facility per person	0 Days HHC & 90 Days Facility per person	90 Days HHC & Facility per person
Benefit Form (how the carrier pays out the benefits)	Cash Indemnity*	Reimbursement**	Reimbursement**
Life Insurance Benefit (also known as the death benefit)	\$144,000 per person <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	\$200,000 2nd to Die <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	N/A
Residual Death Benefit (guaranteed minimum life ins. payout)	\$10,000 per person	N/A	N/A
Partnership Plan (protects against Medicaid asset limits)	N/A	N/A	Eligible
Premium Information	<u>Single Lump Sum Payment</u> \$83,981 Male \$97,964 Female <u>5 Annual Payments</u> \$18,290 Male \$21,310 Female <u>10 Annual Payments</u> \$9,849 Male \$11,483 Female <u>15 Annual Payments</u> \$8,143 Male \$9,498 Female All Premiums are Guaranteed	<u>Single Lump Sum Payment</u> \$282,830 Shared Total <u>5 Annual Payments</u> \$67,536 Shared Total <u>10 Annual Payments</u> \$36,464 Shared Total <u>20 Annual Payments</u> \$22,080 <u>Lifetime Annual Payments</u> \$16,710 All Premiums are Guaranteed	<u>Single Lump Sum Payment</u> \$185,052 Shared Total <u>10 Annual Payments</u> \$21,756 Shared Total Guaranteed Premiums <u>Lifetime Annual Payments</u> \$7,339 Shared Total Subject to Rate Increases

Male Non-Smoker Age 62/63 and Female Non-Smoker Age 62/63
 Quotes are subject to full medical underwriting and are not a guarantee of coverage.

	Hybrid Life/LTCI	Hybrid Life/LTCI	Hybrid Life/LTCI	Hybrid Life/LTCI	Stand-Alone LTCI
	Securian Financial SecureCare III Individual Policies	Nationwide Financial CareMatters Together Shared Policy	One America Financial Asset Care Shared Policy	Lincoln MoneyGuard Fixed Advantage Individual Policies	National Guardian Life Essential LTC Shared Policy
Initial LTC for Facility & Home Health Care (HHC) Today	\$4,000/month per person	\$4,000/month per person	\$4,000/month per person	\$4,000/month per person	\$130/day per person
Inflation Rider (grows the benefit annually)	3% Compound	3% Compound	3% Compound <i>*COB Only</i>	3% Compound	3% Compound
Future LTC Benefit Facility & HHC at Age 85	\$7,894/Month per person	\$7,894/Month per person	\$7,894/Month per person	\$7,894/Month per person	\$249/Day per person
Benefit Period (length of coverage)	4 to 6 Years per person	96 Months SHARED	Lifetime Coverage per person	4 to 6 Years per person	4 to 6 Years per person
Initial LTC Benefit "Pool" of Money at Age 85	4 Year Pool \$200,814 6 Year Pool \$310,484 per person	\$426,832 SHARED	Unlimited	4 Year Pool \$200,814 6 Year Pool \$310,484 per person	4 Year Pool \$189,800 6 Year Pool \$284,700 per person
Future LTC Benefit "Pool" of Money at Age 85	4 Year Pool \$396,324 6 Year Pool \$612,766 per person	\$842,390 SHARED	Unlimited	4 Year Pool \$396,324 6 Year Pool \$612,766 per person	4 Year Pool \$393,676 6 Year Pool \$545,514 per person
Elimination Period (deductible – out of pocket time)	90 Days HHC & Facility per person	90 Days HHC & Facility per person	0 Days HHC & 90 Days Facility per person	None	90 Days HHC & Facility per person
Benefit Form (how the carrier pays out benefits)	Cash Indemnity**	Cash Indemnity**	Reimbursement**	Reimbursement** <i>Flex Cash Available</i>	Reimbursement**
Life Insurance Benefit (also known as the death benefit, face amount or specified amount)	\$96,000 per person <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	\$144,000 2nd to Die <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	\$100,000 2nd to Die <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	\$96,000 per person <i>(LTC payouts reduce the death benefit dollar for dollar)</i>	N/A
Residual Death Benefit (minimum guaranteed life insurance)	\$9,600 per person	\$14,400 2nd to Die	N/A	\$4,800 per person	N/A
Premium Information Payments are Guaranteed (will never increase or change)	<u>5 Annual Payments</u> 4 Yr Plan \$13,973 Male 4 Yr Plan \$15,600 Female 6 Yr Plan \$14,542 Male 6 Yr Plan \$16,912 Female <u>10 Annual Payments</u> 4 Yr Plan \$7,855 Male 4 Yr Plan \$8,715 Female 6 Yr Plan \$8,174 Male 6 Yr Plan \$9,448 Female	<u>5 Annual Payments</u> \$28,275 Shared <u>10 Annual Payments</u> \$15,920	<u>5 Annual Payments</u> \$41,520 Shared <u>10 Annual Payments</u> \$22,454 Shared	<u>5 Annual Payments</u> 4 Yr Plan \$12,926 Male 4 Yr Plan \$14,462 Female 6 Yr Plan \$13,270 Male 6 Yr Plan \$15,961 Female <u>10 Annual Payments</u> 4 Yr Plan \$7,248 Male 4 Yr Plan \$8,109 Female 6 Yr Plan \$7,441 Male 6 Yr Plan \$8,950 Female	<u>10 Annual Payments</u> 4 Yr Plan \$15,773 Shared 6 Yr Plan \$18,251 Shared NGL plan includes the Shared Care Rider – access to a portion of your partners benefits + additional/extra 3rd Pool to share.

What's the Best Fit?

SELF FUNDED

Pros:

- Zero up-front costs while retaining liquidity

Cons:

- Not a healthcare plan
- No care coordination benefit
- Tax-Market timing consequences

ASSET BASED HYBRID

Pros:

- Standardized benefit trigger
- 1035 exchanges
- Tax Advantages
- Maximizes flexibility and provides a substantial benefit for a long-term care insurance event
- Flexible payment options
- Return of Premium
- Guaranteed premiums
- Life Insurance and LTC Benefits

Cons:

- Opportunity cost (if single premium option is selected)
 - Not the same tax advantages for business owners
-

Basic Steps of a Successful LTC Claim

- Policy review
 - Submit HIPAA forms for Gordon Associates and person(s) involved.
 - Determine type of care needed
 - Choose care provider
 - Provider/ Facility Review
 - Initiate the Claim
 - Complete and return the claim packet
 - Complete Nurse Assessment, if needed
 - Meet Elimination Period
 - Waiver of Premium
-



Resources for Advisors, Seniors, and their Families



www.seniorcare.com/home-care



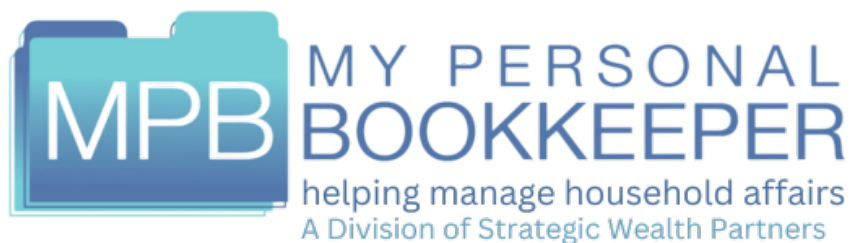
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north shore senior center

www.nssc.org

Take Aways

- Consequences of a long-term care event are the family's emotional and physical wellbeing then financial.
 - Paying for care disrupts every plan in place.
 - Assets don't pay for care; income pays for care.
 - Insurance mitigates consequences.
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For Quotes, Questions or Reviews

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