Is Long-Term Care Insurance the Missing Piece of Your Benefits Program?
• Began Operations in 1990
• Specialize in Multi-Life LTC
• Started w/ Retirement Communities
• Shifted to Large Corporate in 1996
Multi-Life Markets

Employer
- Small – Jumbo
- Carve Outs – Voluntary

Association
- Professional
- Affinity
- Reachable
Market Size

- **Small (2 – 500 Lives)**
  - Executive Carve Outs
  - Employer Paid Base Plans

- **Large (501 – 5000)**
  - Voluntary (w/right demographics)
  - Executive Carve Out/Er Paid Base Plans

- **Jumbo (5000+)**
  - Voluntary (w/right demographics)
  - Analyze Census for Potential
Product Issues

- The Right Carrier & Platform
- The Right Plan Design
  - Customized w/ No Limitations
  - Unlimited Options
- Built In Level Inflation vs. Attained Age
- MGSI vs. Full Underwriting
  - No Preferred Rate
Long-Term Care Insurance Program
The Importance of the *Right* Kind of Inflation Protection

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Group Carrier
- Initial H.C. Daily Benefit: $75
- Initial Asstd Living Daily Benefit: $75
- Initial N.H. Daily Benefit: $100
- Initial Max. Benefit Amount: $219,000
- Elimination Period: 90 Days

John Hancock - Essential Care
- Initial H.C. Daily Benefit: $80
- Initial Asstd Living Daily Benefit: $80
- Initial N.H. Daily Benefit: $100
- Initial Max. Benefit Amount: $219,000
- Elimination Period: 90 Days

* 25% Couple's & Group Discount
Individual vs Group

Individual Advantages

- Better/More Flexible Contract
- Unlimited Benefit Configurations
  * Diverse Coverage Needs
  * Educate Employees to Build Own Plan
- True Portability – Requires No EE Action
- Administration/Ownership of Contract
- More Optional Features
Individual vs Group

Individual Advantages

- More Opportunities
  - Employees
  - Retirees
  - Family Members

- More Dependable Reserves
  - Larger Reserves
  - Broader Range of Ages
    - Better Risk Spread
  - Fewer Lapses – Less adverse selection
  - Greater Scrutiny/Protection by Ins. Depts
Individual vs Group

Group Advantages

- Situs State requires only 1 filing
- Pure Guaranteed Issue
- More profitable for carriers
A Case Study – Now

Communication Rollout

- Email Introduction w/Web Links
- Home Mailing w/Personalized Exhibits
- Virtual/On Site Information Meetings
- On-Line Enrollment/Benefit Specialist
- Completed Applications Emailed 4 Signature
- Electronic Program At A Glance
Communications process is key...

- **Communications**
  - People
  - Paper
  - Technology (Internet)

- **Customer Service**
  - Experienced/licensed representatives
  - Employee Advocacy – Alternative Carriers
  - Program administered by MGA
Communications/Customer Service

∥ Combination of Paper & Internet

- Pre Communication of New Benefit (E-Mail)
- Information Package with CEO Letter –
  * Personalized Exhibit for all employees (paper)
  * Premium Calculator
  * Quick Quote Email
  * Multiple messages (emailed) during open enrollment

∥ High Tech/High Touch

- The Benefit Specialist
Individual Advantage...

Discounts Available To
- Employee/Spouse – Partner
- Retiree/ Spouse – Partner
- Family Members

Discounts Program
- Group Sponsored Discount
- Preferred Risk
- Couple’s Discount (Each Spouse)
ILTC Challenges – Multi Life

- Must be licensed in each state/not just corporate situs
- Pure GI vs MGI/No GI
- Web site must be approved in all jurisdictions
- Overcoming the corporate mentality that if it’s a benefit it has to be group
How to Enter This Market

- Get experience with smaller case size
- Find a Strategic Partner for large cases
- Leverage existing large case relationships
What We Need From Carriers

- Better Call to Action
  - MGSI sends the wrong message to wrong target audience
  - Simplify application process
  - Incentives to enroll now
    * Higher discounts
    * Certain provisions only available during open enrollment

- Lobby Congress - Tax Deductibility
- Industry – Standardize Terminology
- Build Multi-Life Products
Multi Life – Keys to Success

- Employer Support/Commitment
- Viewed as Core not Voluntary Benefit
- Group Information Meetings
- Communications/Education
- Employer Agreement to
  Communications Plan – Get in Writing
- Set the Right Expectations
Bottom Line – Individual LTCi

Is the right thing to do for:

- The Participant
- The Employer

Should be once in a lifetime purchase decision
- done the right way the first time!