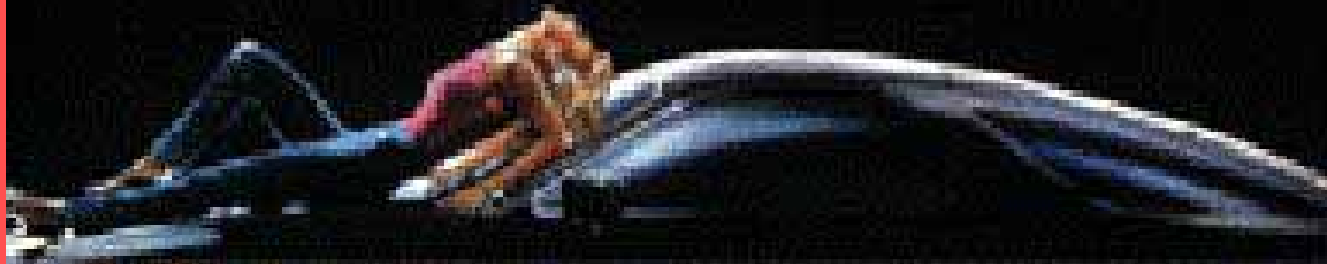


There's a time  
for playing it safe  
and a time for...

*Risky Business*



**Selling LTCi in the World of Partnerships**

# **Introducing..... the Participants**

**Gail Holubinka: MedAmerica Insurance Co.**

**Bill Jones: MedAmerica Insurance Co.**

**Stephen Serfass: Drinker, Biddle, Reath LLP**

# Exploring the LTC Partnerships

**Take calculated risks. That is quite different  
from being rash.**

*George S. Patton US general (1885 - 1945)*

**Before you take off...**



- **Purpose**
- **What were they?**
- **What happened?**

**First there were four**



**California  
Connecticut  
Indiana  
New York**

**And then....**

# 2005 DRA

## The PLTC Baby Boom



## Goals Challenges

- Over 15 States Signed On
- State Issues
- Unprecedented Cooperation
- Education
  - Single Product
  - Understanding
    - Integration

# **Selling LTC In A DRA Partnership State**

**A Field Perspective**



**We've landed a big one!**

# **Partnership Positives**



**LTC and LTCi Awareness**

**Product Legitimacy**

**Increased Lead Responses**



**It looks like clear sailing from here  
....but...before you push off**



## **Partnership Details You Should Know**

# Required or Optional?

**Partnership Training** **Required**

**Partnership Plan Design** **Optional**

**Client Participation** **Required**  
(If inflation option and  
policy meet PLTC design  
rules)

**Review of the  
Standard  
DRA Partnership  
Disclosure Form**

# Medicaid = Partner

## Qualifying for Medicaid: 2 Financial Tests and a Warning

**Assets:** Waived = Insurance \$ Paid

**Income:** Not waived

***Warning:*** Home equity cannot exceed \$500K  
or \$750K (depending on state)

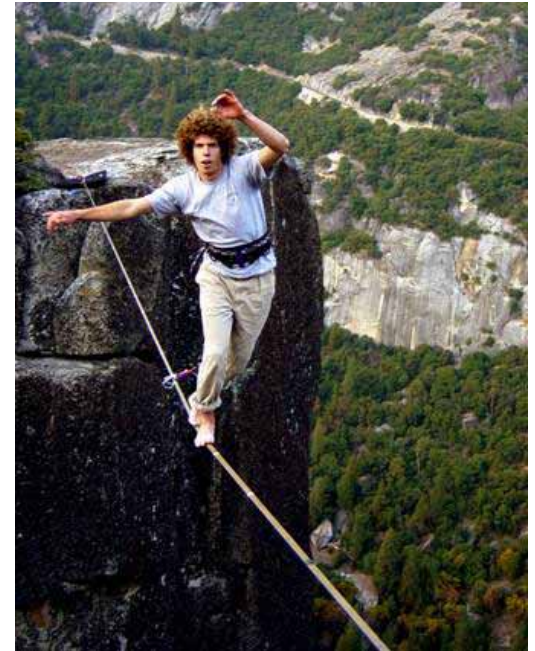
**Home = Asset**

**What can we promise?**

**What should/can we say?**

- Leads
- Telephone
- Point-of-Sale

**What should we put in writing?**





# **Managing Agent Risks When Selling DRA Partnership Policies**



**We sell promises backed by a contract.**

**What can we promise when selling a  
DRA Partnership LTC policy?**

# IS IT GUARANTEED?

- |  |    |
|--|----|
| ✓ Medicaid                               | No |
| ✓ Fed/States Keep Program                | No |
| ✓ Type/Availability of Medicaid Services | No |
| ✓ Home is Protected                      | No |
| ✓ Reciprocity                            | No |
| ✓ Asset Protection                       | No |
| - See above AND                          |    |
| - \$ spent on uncovered services         |    |





# **Selling LTC In A DRA Partnership State**

**A Lawyer's Perspective**



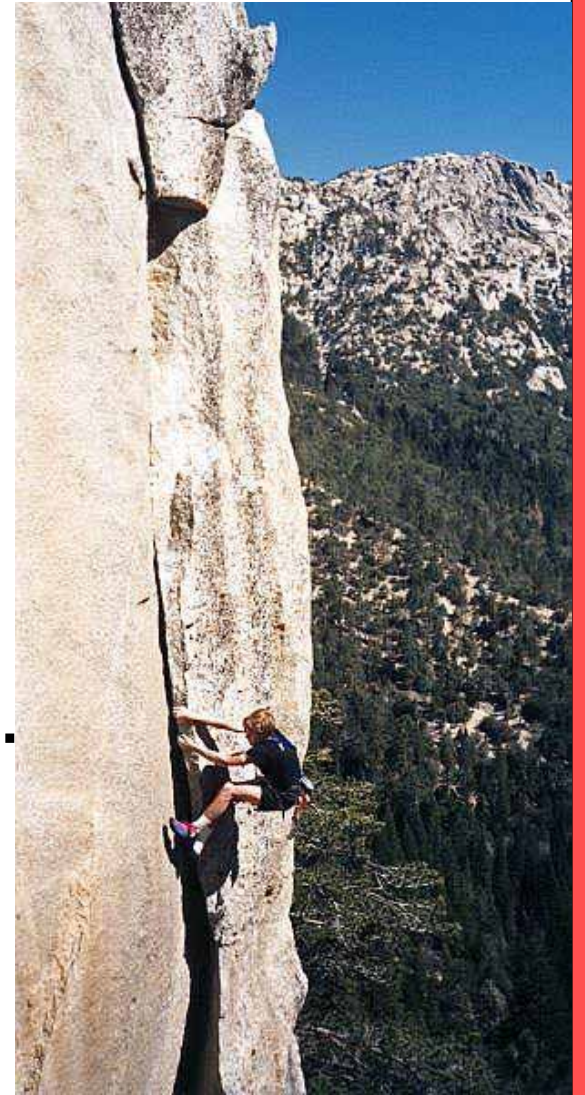
# LTCi Partnerships

A Little bit knowledge can do a Lot of damage

# Problem #1

**What exactly will this do  
for the client?**

**Between a rock and a hard place...**



# Problem #2



**What happens if the client moves  
to another state?**

**Portability problems...**

# **Problem #3**



**What if the client wants to  
change their policy?**

**What you don't do may hurt you...**

# Problem #4



**Oops.. The law changed**

**Getting blamed for your legislature's actions...**

# **Problem #5**



**The 30 year risk**

**Evil son-in-law strikes again...**



**Knowing is half the battle**

**Now that you know...**



# Solution #1



## Training, Training, Training

**“The more sweat on the training field the less  
blood on the battlefield.”**

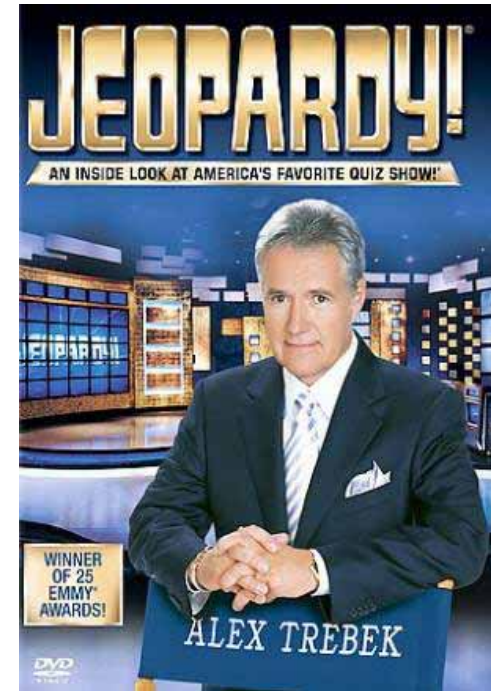
***Retired Army Col. David Hackworth***

# Solution #2

**Be prepared to answer the tough questions**

**“You have the right to remain silent?”**

**Wrong. Anything you say - or don't say - can be used against you....**



# Solution #3



## Document!!!

**“The palest ink is better than the best memory.”**

***Chinese Proverb***

# Solution #4



## Checklist

**And, yes, check it twice.**

# Preparing for the Future



**Flying high and safe....**

# **Discussion**

**What do you want to know?  
Ask the experts...**