

# Group Long-Term Care (LTC) Insurance

Overview

**J.MANNING**  
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POWERED BY  **LTCI**  
PARTNERS, LLC

# Marketplace Update: Carriers in the Market

## Standalone Long-Term Care Carriers



## Life with LTC Benefits Carriers



# LTC Product Comparison

## Standalone Long-Term Care

- **Monthly Benefit** – Total benefit available to pay for care each month, in today's dollars. Typically ranges from \$3k-\$7,500 per month and is chosen by each participant.
- **Total Benefit Pool** – Maximum the policy will pay towards the cost of care in today's dollars. Typically ranges from \$100k-\$400k.
- **Inflation Protection** – Increases your pool, and monthly benefit to keep pace with the cost of care. Employees can add a 3% automatic inflation rider, or will have the option to purchase additional coverage in the future.

## Life with LTC Benefits

- **Death Benefit** – Employee chooses a total death benefit. Typically between \$10k-\$150k
- **LTC Benefit** – Typically 4% of the death benefit is accessible for Long-Term Care each month. LTC benefits range from \$400-\$6k per month.
- **Extension of Benefits** - Most plans offer two or three times the death benefit for LTC benefits. (i.e. \$100,000 death benefit = \$4k monthly LTC benefit and \$200,000-\$300,000 in total benefits for LTC).

# Advantages and Challenges: Standalone Long-Term Care

## Advantages of Standalone LTC

- **Largest LTC Benefit Available.** Standalone LTC insurance provides the largest possible benefit to pay for Long-Term Care (up to \$1million in today's dollars).
- **Includes Inflation Protection Options.** Inflation protection options are designed to keep pace with the cost of care over time.
- **Protects Retirement Savings.** A Standalone LTC policy can be designed to cover the full cost of care a person might need, now or in the future. This product will prevent the insured from invading their retirement savings to pay for healthcare.

## Challenges of Standalone LTC

- **Use it or Lose it.** If a person never needs LTC, there is no return of the premium.
- **Limited Carrier Options.** Due to historically low interest rates and widespread pricing errors on early LTC policies, many carriers have exited the market.
- **Standalone LTC is Expensive.** The average premium of Standalone LTC is \$1,200 per person per year in the employee benefits market.
- **Requires Underwriting.** About 95% of submitted policies are accepted with Simplified Underwriting. No Guarantee Issue options are available in the standalone LTC market.

**Bottom Line: Standalone Long-Term Care is the best option for protecting retirement assets.**



# Advantages and Challenges: Life with Long-Term Care Benefits

## Advantages of Life with LTC Benefits

- **Will Pay a Benefit.** Either in the form of LTC benefits or a death benefit, this product will provide a benefit to each insured who maintains the coverage.
- **Provides Life Insurance and LTC.** Allows insured to cover two risks with one policy.
- **Robust Market of Highly Rated Carriers.**
- **Guarantee Issue.** 100% of eligible employees will be accepted up to the GI limit regardless of health. Employees may have the option purchase coverage above the GI limit with underwriting.
- **Broader plan design flexibility.** Life with LTC allows for a broader range of benefits and premiums that fit many budgets and needs.

## Challenges of Life with LTC Benefits

- **No Inflation Protection Options.** The total and monthly benefit of Life with LTC remain level for the life of the policy
- **Subject to Smoker Rates.** Smokers are subject to higher rates than non-smokers.
- **More Expensive per Dollar of LTC Benefit.** Due to the addition of Life Insurance, the cost is higher per dollar of LTC benefit.

**Bottom Line: Life with LTC is the most flexible option and will provide a benefit to all.**

# Employer-Sponsored Strategies

Our three different strategies are designed to appeal to organizations of varying sizes and needs.

## VOLUNTARY STRATEGIES

- Best fit for employer groups with more than 200 eligible employees
- Benefits are offered to employees, spouses, parents, and other family members
- Provides discounted rates and simplified underwriting
- Can be payroll deducted or direct bill

## EMPLOYER-FUNDED BASE PLANS WITH BUY-UPS

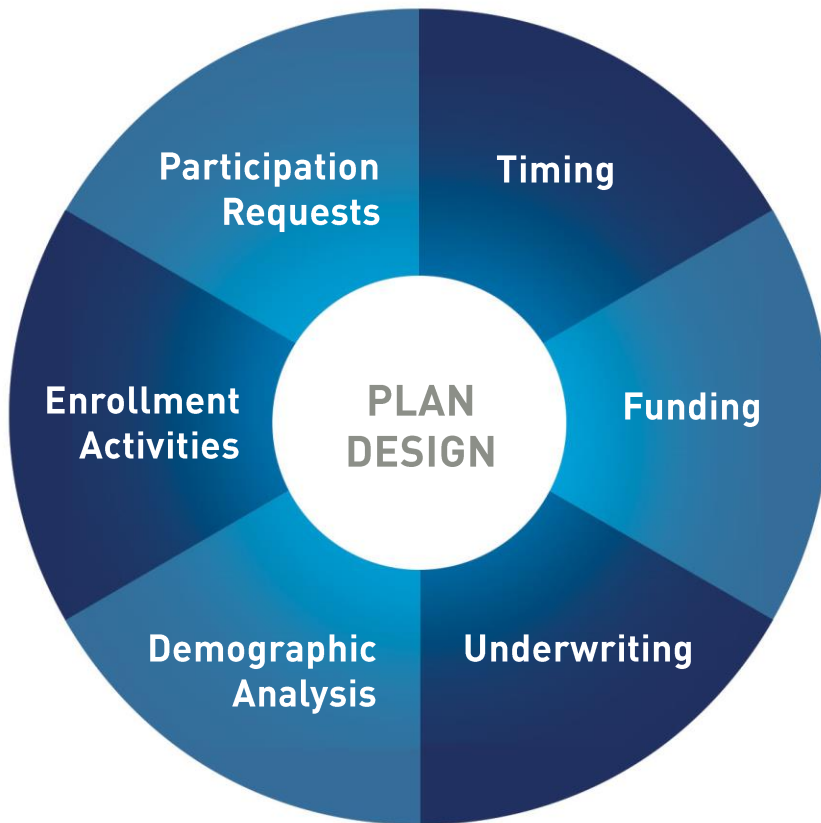
- A good fit for employer groups with less than 200 eligible employees
- Satisfies the participation requirement for underwriting concessions
- Provides discounted rates and simplified underwriting

## EMPLOYER-FUNDED EXECUTIVE CARVE-OUTS

- LTC insurance has more favorable tax treatments than any other type of benefit (i.e., life, disability, etc.)
- Employer-paid premiums are tax-deductible and are not counted as income to employees
- Employer paid premiums are excluded from ACA Excise Tax calculation
- Employers have the ability to carve-out and offer coverage to a select class or classes of employees

# Group LTC Insurance Process

Our turnkey process is simple, efficient, and thorough.



## 1. DISCOVERY

- Conduct discovery meeting and demographic analysis
- Create customized plan design options and carrier solution based on group demographics
- Objectively evaluate and recommend an LTC benefits strategy

## 2. IMPLEMENTATION

- Present marketing results and develop an implementation schedule
- Provide dedicated administrative support for group implementation
- Provide a customized timeline and comprehensive communications plan to employees

## 3. ENROLLMENT

- State-of-the-art enrollment center with custom toll-free number and email address
- Dedicated team of salaried enrollment specialists
- Proprietary online educational and enrollment platform
- Custom e-communication platform with personalized plan design and pricing for each employee
- Nationwide webinars to educate employees on the need for LTC planning, the benefits available and enrollment process

## About Us: Background Information

J. Manning & Associates and LTCI Partners work together to bring best in class service and support for our clients.

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J. Manning and Associates, a Chicago-based insurance firm specializing in long-term care corporate benefits, and LTCI Partners, a brokerage general agency specializing in long-term care insurance, work together to assist employee benefits brokers and financial services professionals in creating customized, unbiased long-term care planning solutions for employer groups nationwide.

- **J. Manning & Associates** supports advisors and employers in designing long-term care insurance plans and conducting employee education campaigns.
- **LTCI Partners** is responsible for implementing the plans, including call center support, online enrollment, case management and post-sale policy administration.

Brokers and financial services professionals benefit from the best-in-class industry knowledge and resources of both firms.



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# Are You Ready?

Fill the gap in your employee benefits portfolio  
by implementing an LTC insurance program.

**Contact us today to get started.**

## Business Development Team

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