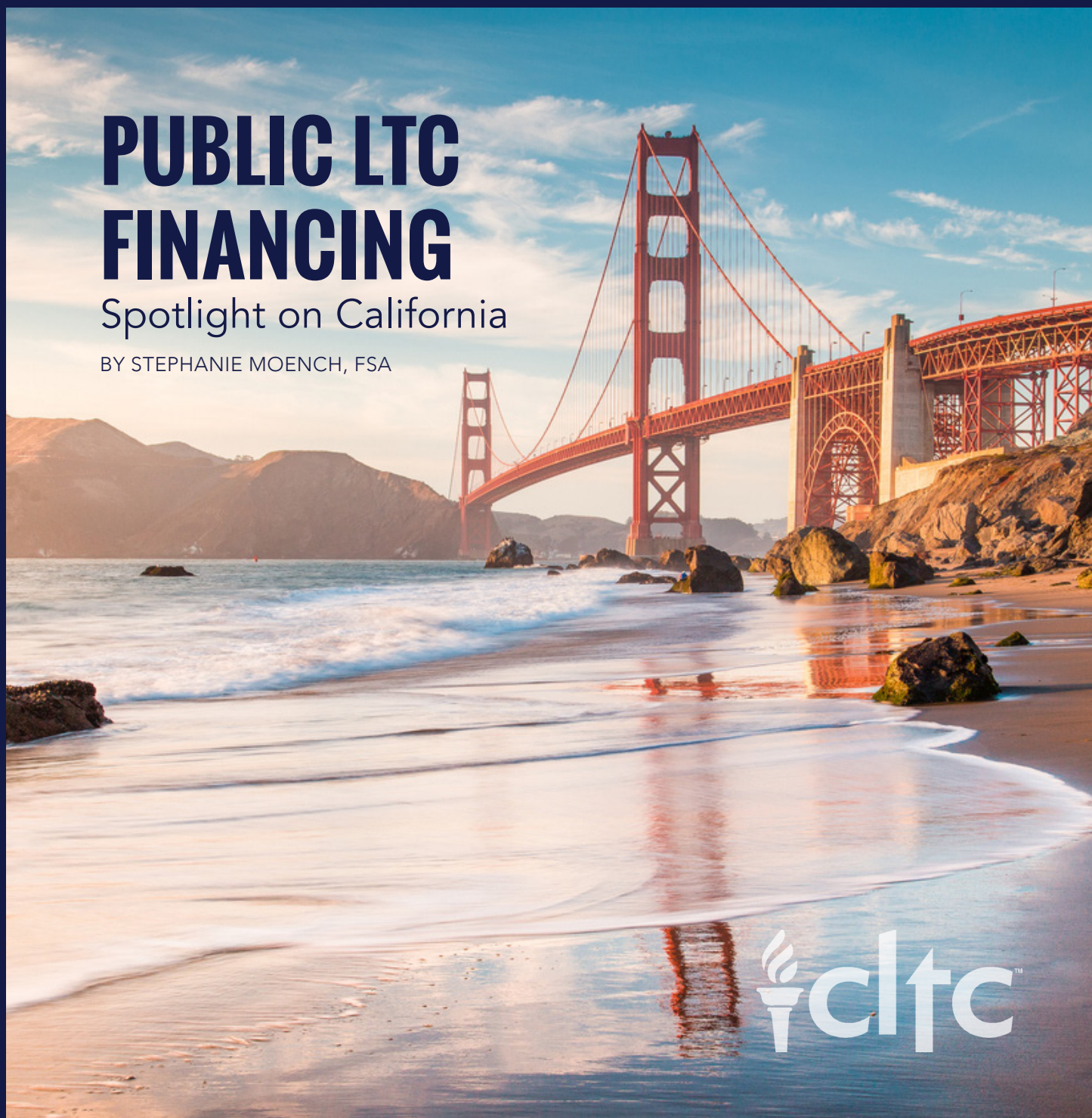
CERTIFICATION FOR LONG-TERM CARE

ltc-cltc.com

CLTC DIGEST

QUARTER ONE 2023



PUBLIC LTC FINANCING

Spotlight on California

BY STEPHANIE MOENCH, FSA

INSIDER'S *Note*

Welcome to the new year and a fresh look for the *CLTC Digest*. We are excited by all that lies ahead, including the introduction of a new CLTC class, *Product Insider*. Learn more about it here.

In this first quarter edition of the *Digest*, we share two articles that address effective client conversations. Tony Massanelli, CLTC®, talks about the common allure of "self-funding" long-term care and how to help clients see the risks such a strategy brings to their retirement portfolio. Then, Matt DiGangi, CLTC®, acknowledges that client receptivity to annual reviews might not be as easy as some think; he offers strategies to change up the conversation for a better outcome.

Our cover story, by Stephanie Moench, FSA, provides an excellent overview of public sector activity in the area of long-term care services and supports. She takes a deep dive into one of the leading states in this area, California.

Noa Almog introduces us to a delightful new robot, ElliQ, that is helping older Americans remain happy and healthy at home.

This issue's LTC case study is provided by Kelly Augspurger, CLTC®, and takes an in-depth look at married couple Chis and Barb.

Our company spotlight features Lori Martin, CLU, one of our new instructors. Welcome, Lori!

Best wishes from all of us at CLTC for a happy and prosperous 2023. Enjoy the issue!

Celeste

Celeste Cobb, CLTC®
Director of Education

Certification for Long-Term Care
cltc™
Certitrek™

CERTIFICATION FOR LONG-TERM CARE, LLC

EXECUTIVE DIRECTOR
AMBER PATE, CLTC®

ACCOUNT EXECUTIVE
MAX BREWER, CLTC®

MEMBER SERVICES ADMINISTRATOR
CYNTHIA VEREEN, CLTC®

DIRECTOR OF TRAINING AND DEVELOPMENT
BILL COMFORT, CLTC®

DIRECTOR OF EDUCATION
CELESTE COBB, CLTC®

CONTACT US
877.771.2582
info@ltc-cltc.com
2220 Sedwick Road
Durham, NC 27713

ADVERTISING
info@ltc-cltc.com

CALL FOR SUBMISSIONS
Submit your article of 1,000-2,000 words to info@ltc-cltc.com.

TABLE OF *Contents*

UnsuringLTC

Risks to a Client's Retirement Portfolio When Relying Solely on Self-Funding

By Tony Massenelli, CLTC®

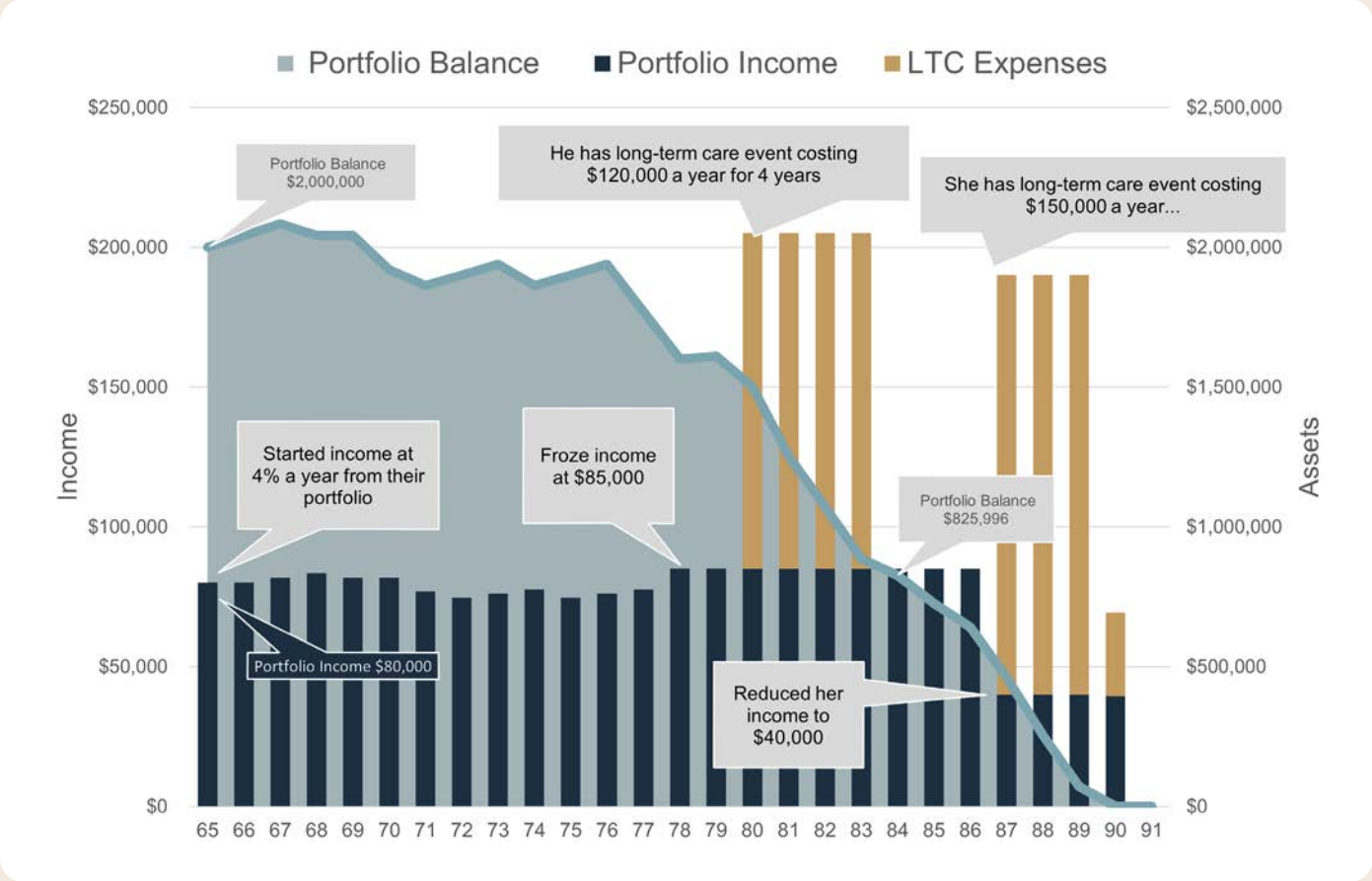
Most of you reading this article don't make the majority of your income by selling only long-term care (LTC) insurance. The financial professionals we work with generate the bulk of their income through assets under management first and a portfolio of insurance products either second, third or even fourth before they finally hit long-term care coverage. What I would like to address here is what will happen to those assets under management or the client's retirement income stream from those assets if or when a client has a long-term care event.

Those of us who specialize in the long-term care space are always amazed at all the reasons a financial professional or a client avoids the topic of insurance planning for a long-term care event: the belief that it won't happen to them; they are healthy; they have enough to self-insure. That last one is my personal favorite. A good friend and colleague told me that self-insuring (properly self-funding) is really "unsuring." When you plan to use part of your income-generating portfolio to cover your future LTC needs, you are unsure of how long you will have to save, unsure of your rate of return and unsure of many other events that come up over time.

We've all heard the reasons a client might give you for why they won't need long-term care. Instead, let's focus on the consequences of not leveraging insurance to pay for a long-term care event and the potential effect on a client's income-generating portfolio—and the income stream they generate from that portfolio during retirement. This is especially impactful when you need to pull sizable amounts of income from this portfolio during a down market to pay for a long-term care expenses.

Such an LTC event could impact the client's portfolio and their spouse's ability to draw the same *amount of income* from this portfolio going into the future. Also consider the impact on you as the client's advisor, both from a perspective of assets under management and on your ability to retain these assets within your practice when they pass on to the beneficiaries.

For example, if your client has an "unsure" plan for LTC expenses and does have the need arise, they could potentially need to withdraw significant funds from their portfolio; the national average for long-term care in 20 years is $100,000 to $211,000 (Nationwide: Compare long-term



care costs from state to state). A four-year claim could potentially remove $400,000 or more.

How would this impact the ability of their spouse to maintain their standard of living? How much will this reduce your assets under management or impact your client's estate plans?

> You can help your clients mitigate unwanted outcomes by showing them a plan using LTC coverage to "self-assure" with a guaranteed stream of leveraged benefits vs. "self-insuring" with a dollar-for-dollar reduction from their portfolio.

Consider the hypothetical experience of a couple with a retirement nest egg of $2 million. They want to use it as a source of income, but they're conservative in their investment outlook. They also want to leave behind some funds for their children and the charities that they've supported their entire lives. They start out taking 4% a year against these assets (the navy blue bars). For the first 12 years, everything is going fine with market ups and downs that they are comfortable with. When they turn 78, there are a couple years of market downturns and they decide that they're spending less, so they freeze their annual draw at $85,000. When the husband is 80, he has a long-term care event (such as serious fall, a stroke, etc.) that limits his abilities and requires them to find professional care for him. This ends up costing them $120,000 (the tan bars), which they have to pull from their portfolio because they have no other source of funds for long-term care.

As you can see, that extra $480,000 of expense has a significant impact on the portfolio (the blue line). The husband passes away at age 84, and his spouse is seeing her portfolio dwindle to $825,996. A few years later, the widow has her own long-term care event. She reduces her income substantially to $40,000 because she'll be going to a facility. But the increase to pay for her care results in her running out of money in just over three years. This leaves nothing for her heirs and charities and nothing for the financial professional to continue managing.

(This is a hypothetical example meant to illustrate the impact of market losses and long-term care expense. Client's actual experience will be different and could be better or worse.)

Your clients may have a variety of goals that you will help them work toward over the years. Helping clients to build and grow their portfolio to meet their retirement goals will be a big part of this overall strategy.

> Make sure that you're having the conversation with your clients around protecting the portfolio from the financial impact of a possible LTC event so you don't find yourself explaining to their spouse why they no longer have an adequate income stream to maintain their standard of living—or to the beneficiaries why their inheritance was eroded by an "unsured" long-term care event.

TONY MASSENELLI, CLTC®

Tony is the Director of Long-term Care sales at Nationwide. He began his career in 2000 as a financial advisor. In 2002, he joined Nationwide, where he has held multiple sales and leadership positions. Tony has led LTC sales and the CareMatters sales team since 2013, when Nationwide entered the linked-benefit marketplace. He also develops sales and distribution strategies to help Nationwide and their partners drive long-term care sales.

Tony is a graduate of The Ohio State University with a degree in Financial Planning. He received his Master of Business Administration from Ohio Dominican and completed the Cornell University Executive Leadership program in Executive Presence. He is a member in his local NAIFA and FSP chapters and participates in both the NAIFA and Finseca LTC committees.

MassMutual
Strategic Distributors

We are proud to offer the MassMutual CareChoice℠ products.

For more than 170 years, MassMutual® has had a single guiding principle: to help people secure their future and protect the ones they love.

MassMutual CareChoice products.

CareChoice products are both a long term care planning solution and a versatile financial asset that provides a valuable combination of lifetime benefits for your clients.

The CareChoice products offer three important guaranteed benefits that your clients can count on.

Guaranteed Long Term Care Benefit Pool	Guaranteed Death Benefit	Guaranteed Policy Surrender Value

The CareChoice Advantage

What sets MassMutual CareChoice products apart from other long term care product solutions?
The answer is DIVIDENDS!
As a participating whole life insurance product, CareChoice policies are eligible to earn dividends. Although dividends are not guaranteed, MassMutual has paid them to eligible participating policyowners every year since 1869.

Contact the sales desk at **1-855-464-3436**
or visit the **MassMutual Strategic Distributors website**.

FOR FINANCIAL PROFESSIONALS. NOT FOR USE WITH THE PUBLIC.

The products and/or certain features may not be available in all states. State variations will apply.

Single Premium Whole Life Insurance (SPWL-2013, ICC13SPWL and ICC13SPWL in North Carolina, SPWL-NY-2019 and SPWL-FL-2021) and Limited Payment Whole Life insurance (MMCCWL-2019, and ICC19-MMCCWL in certain states, including North Carolina) are participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

LI9207 322 MM202502-300673

Setting Expectations for **Annual Financial Discussions** WITH YOUR CLIENTS

By Matthew DiGangi, CLTC®

I recently interviewed Gail Goodman, whom you may know as the "Phone Teacher." She has trained over 90,000 financial professionals to improve their phone skills. I wrapped up our conversation with a question about scheduling portfolio review meetings. The question struck a chord with Gail "The number one word on my 'dirty word' list," she said, "is 'review.'" Her reasoning? She explained that people don't understand the value of a review and aren't really interested in participating in one. In Gail's experience, "review" doesn't describe what financial professionals do nor what clients should expect.

At the start of the new year, I thought it might be a good idea to talk about what ideally happens during annual client meetings. Overall, I believe we could do a better job of improving the perceived importance of the financial professional's role while setting realistic client expectations for the annual discussion. This is an ideal opportunity to include how long-term care protection fits into the conversation, while also providing some tips on how to talk about it.

Are there any other meetings we can compare to these client meetings? Annual physicals come to mind. These physician-scheduled check-ups assess a patient's overall health and wellbeing. They generally include questions about changes in life circumstances, e.g., new stresses and strains such as a job loss, a family member's illness, an unexpected move—all of which can impact a person's health. The balance of the annual checkup includes recording vital signs, taking blood work, and evaluating preexisting conditions.

Now let's look at a few parallels between the annual physical and financial check-ups. In my experience, a

typical financial check-up begins with a question like, "How is life treating you?" or "What's been going well (or not so well) for you since we last met?" Using an open-ended question avoids one-word answers and provides an opportunity for the client to bring up events or stresses without the need for probing.

The relationship between financial professionals and clients is personal. Life's goals, worries about the future, and anxieties about money are topics clients may not have discussed with other family members and friends.

It's important to bear in mind that life evolves over time. It's the aim of the financial professional to keep up with these life changes and ensure the client has the proper resources and protections in place to live out a fulfilling life. To do so requires careful questioning and active listening. This is the perfect place to segue into an approach to long-term care conversations, which we at MMSD refer to as CARE.

A CARE conversation starter might involve a question about life expectancy and the client's perceived consequences of living longer. The next question might be, "In the event that you experienced an illness or injury that required long-term care, how would this impact your spouse, partner, children or friends?" At this point, the questions that follow could illicit more details about preferences as to where care was delivered and by whom. Then, it might be good to have clients talk about personal experiences with family or friends who have required long-term care. How were their families impacted? For how long? How was care paid for? Did the long-term care event impact retirement or other savings? Or was it paid for out-of-pocket?

For clients who do not have personal experiences with family or friends impacted by the need for long-term care, I suggest you have a couple of data points available regarding the likelihood of an event requiring long-term care. For instance, you might cite the US Department of Health and Human Services (HHS):

70%
of Americans ages 65 and older will require long-term care

Long-term care can be very costly. It's important to remind clients that Medicare and most health insurance does not cover long-term care expenses —whether in a nursing home or at home.

According to The Associated Press-NORC Center for Public Affairs Research, 88% of Americans want to age at home. That means that family members, with the help of in-home care professionals, would provide the care. In addition to the cost of an in-home care professional, major renovations might be required. These could include adding an accessible bathroom and installing an elevator or chair lift, ramps, and other accommodations.

The next question might be, "Which of your resources would you tap first in the event you or a family member needed care for an extended period?"

Making choices about where to draw resources from to pay for a hypothetical long-term care event loops the conversation back to the relative financial health of the client's portfolio. Having just finished 2022 with great fluctuations in bond values and the stock market, this choice may be more difficult than in earlier times. And this may be the perfect time to set a followup meeting to introduce a new way of thinking about long-term care protection. It could involve Hybrid Life/LTC insurance policies that help protect a client's financial assets should an unexpected long-term care event arise.

Most people find long-term care discussions difficult. Hopefully, broaching the subject within the context of an annual checkup flows more naturally and leads to a more meaningful way to meet clients' expectations.

MATTHEW DiGANGI, CLTC®

Matt is Head of Annuity and Hybrid Life-LTC Distribution for MassMutual Strategic Distributors. In his role, Matt leads the way toward more advisor-client conversations about the need for long-term care planning. Matt and his team extend MassMutual's guiding principle to MMSD's financial partners: to help people secure their future and protect the ones they love. He graduated from Sacred Heart University with a degree in finance and earned his MBA from Quinnipiac University. Matt maintains his CLTC designation, Series 6, and 26 licenses.

MEMBER SPOTLIGHT
CLTC Instructor

Certification for Long-Term Care

cltc

Lori Martin

1. How did you first get involved in LTC planning?

I handled employee benefits for employer groups and started offering LTC insurance as a voluntary benefit for employees. I enjoy educating individuals about the value of LTC insurance and protecting retirement income, their family, and honestly, their emotional health. After my first individual LTC sale to a couple, I drove home extremely gratified that this product would make a difference in their lives. After that, I was hooked on LTC insurance! My other involvement like many others in this business, was personal experience. As a caregiver and later, a care manager, for both of my parents, I saw firsthand the challenges of providing caregiving for family and the financial costs.

2. What do you find most challenging about LTC planning?

Keeping on top of all the products! LTC insurance plans have their own underwriting differences, distinct benefits, sweet spots, and plan benefit differences between the states. The LTC market continues to evolve - new products are introduced to fill the needs of those with health issues, short term needs, and employer groups.

3. What is the best (or worst) thing to happen to you since you started in the industry?

The worst experience was sitting at a table at an employee benefit fair eager to talk about this great voluntary LTC plan and not seeing much interest from the employees. Rather discouraging! One of my best experiences was meeting with a senior staffer with the Senate Special Committee on Aging in DC. We were close to getting the committee to meet to discuss caregiving issues, LTC funding and federal support for consumer education - then COVID hit and the meeting never happened. But now that events have opened up again, we will keep trying.

4. If you could change one thing about the public views on LTC planning, what would it be?

Change how people view an extended care event. Not only does the life of the individual needing care change, but the family's life changes too. Especially when there is no plan in place! I think the solution is education - education from a financial planner, insurance agent, local library, state/federal government. It's a topic we all need to talk about.

5. What changes do you see happening in the next five years?

Definitely seeing more media coverage about LTC planning and insurance. Partly due to the pandemic and the caregiver shortage. But also seeing media coverage in a positive light, the importance of planning and how Baby Boomers want to live in the third phase of life. Another exciting change is advances in technology and AI products that will allow seniors to age in place safely and independently. Similar to Wellness plans offered on health insurance plans, LTC insurance carriers will encourage policyholders to stay healthy with a Wellness plan benefit.

6. If you were doing something else, what would it be?

My previous profession was an ad agency executive; I love the marketing field. Creating an ad campaign for a product and seeing it in print or on TV is exciting. But there is no greater satisfaction than delivering a LTC policy to an individual, couple or employee. Knowing that you had a role in providing that financial security and emotional piece of mind for a client is an awesome feeling.

7. How has being a CLTC professional helped you succeed?

The CLTC designation itself means that I have the expertise to educate and assist clients with their extended care planning issues. CLTC keeps me up-to-date with legislative issues and products through their publications, social media posts and website. Sales tips come from the monthly webinars, conversations with other CLTC members and courses.

Public LTC Financing

Spotlight on California

By Stephanie Moench, FSA

RECENT ACTIVITY

Exploration of public financing solutions for long-term services and supports ("LTSS") continued in 2022 at both the state and federal levels. In January, Washington state postponed the implementation of its statewide LTSS program, WA Cares Fund, to assess refinements to the design. Washington's program is now expected to launch on July 1, 2023. Meanwhile, in September, Maine announced a two-year "Respite for ME Grants" pilot program that will provide up to $2,000 per year of reimbursable respite services for informal caregivers (if not covered by Medicaid). Then, in December, the SECURE ACT 2.0 was passed at the federal level, allowing individuals to use up to $2,500 in retirement plan distributions annually, beginning in 2026, to pay for qualified long-term care ("LTC") insurance without being subject to the 10% early distribution penalty.

Several other states, California being one of the more prominent, are in various stages of exploring publicly-financed LTSS solutions. This article will provide an overview of the work done in California as of December 2022, along with the state's next steps.

DESIGN	DESCRIPTION	OVERVIEW
1	SUPPORTIVE LTC BENEFITS	▸ $36,000 over two years in supportive LTC benefits for California's adult population (ages 18+) ▸ Supportive benefits include (but are not limited to) adult day care, caregiver support, meal delivery, transportation, durable medical equipment, home assessment, and minor home modifications — Formal home and facility care are not covered
2	HOME CARE AND RESIDENTIAL CARE FACILITY ("RCF") BENEFITS FOR OLDER ADULTS	▸ $110,400 over two years in targeted benefits for California's adult population (ages 65+) ▸ Covered services are the same as Design 1, along with formal home care and care in an RCF ▸ This design attempts to limit duplication with Medi-Cal, California's Medicaid program, by not having lower-income individuals contribute to the program or receive vesting credits — Individuals who are below the income limit in some years will still vest if they accumulate enough vesting credits over their working lifetime
3	LOWER-RANGE COMPREHENSIVE LTSS BENEFITS	▸ $36,000 over one year in comprehensive benefits for California's adult population (ages 18+) ▸ Covered services are the same as Design 2 Inspired by the WA Cares Fund design with select updates
4	MID-RANGE COMPREHENSIVE LTSS BENEFITS	▸ $81,000 over one year in comprehensive benefits for California's adult population (ages 18+) ▸ Covered services include those from Design 3, along with care in a skilled nursing facility
5	HIGHER-RANGE COMPREHENSIVE LTSS BENEFITS	▸ $144,000 over one year in comprehensive benefits for California's adult population (ages 18+) ▸ Covered services are the same as Design 4

CALIFORNIA TASK FORCE RECOMMENDATION

California established a 15-member Long-term Care Insurance Task Force ("Task Force") to assess the feasibility of implementing a statewide LTC insurance program, which first convened in 2021. In December 2022, the California Task Force recommended five program design options to the Insurance Commissioner, Governor, and Legislature, ranging from $36,000 in supportive LTC benefits to $144,000 in comprehensive LTSS benefits. The table on the following page provides an overview of each of the five program designs.

The five program design options will undergo financial analysis by Oliver Wyman in 2023 to determine cost and viability of each design. As part of this actuarial analysis, the Task Force also requested that several alternative scenarios (i.e., financial sensitivities) be assessed, including but not limited to alternative benefit eligibility ages, reduced elimination periods (Design 2 only), international benefit portability, earlier opt-out provision deadlines, and a range of contribution limits. While the Task Force has not endorsed any particular program design, to identify preliminary preferences, Task Force members were asked to select their most preferred program design as well as other designs they can support. Pending the results of the actuarial analysis, Design 4 received the most "preferred" votes among

Task Force members (five) followed by Designs 2 and 5 (three votes each) and then Design 3 (one vote). Design 5 received the most "supported" votes (nine). The Task Force will have a chance to amend their preferences as part of the forthcoming Actuarial Report.

Details regarding select program recommendations are provided below. Please refer to the Feasibility Report, available here, for the complete Task Force recommendation.

BENEFIT PORTABILITY

All five program design options recommended by the Task Force include some level of benefit portability to allow vested individuals to access at least partial program benefits outside California. The degree of benefit portability differs by design option, and includes the following variations:

- **Partial domestic portability.** Partial benefits are available outside California but within the United States. program benefits grade from 100% to 50% over 5 years after a vested individual moves outside California. Benefits are not portable internationally.
- **Full domestic portability.** Full benefits are available outside California but within the United States. Benefits are not portable internationally.
- **Full international portability.** Full benefits outside California, including internationally.

Because benefits are portable, individuals who work in California but live in another state would be included in the program (that is, once vested, they would be able to receive program benefits without having to move to California).

PRIVATE INSURANCE COORDINATION & INTERACTION

The Task Force recommended that substitutive private insurance (e.g., private insurance that provides similar LTSS coverage as the program) pay LTSS benefits before the program. They also recommended a tiered private insurance exemption provision, as follows:

- **Program opt-out.** Individuals who own eligible substitutive private insurance sold on or before the program's effective date could qualify for a full exemption from the program—they would not be required to pay program contributions and would not receive program benefits.
- **Reduced contributions.** Individuals who own eligible substitutive private insurance policies sold after the program's effective date could qualify for reduced program contributions and could receive full program benefits (as a second payer for their future LTSS needs).

To be eligible for opt-out or reduced program contributions, private insurance policies will have to meet certain standards that have yet to be determined. Further, individuals would be required to periodically recertify that they still own eligible private insurance.

Supplemental (wrap-around) private insurance products developed after the program's effective date would not be eligible for reduced program contributions and may be subject to different interaction criteria. The Task Force recommended that a separate working group be established to further explore program coordination and interaction with private insurance.

PROGRAM FINANCING

Regardless of design option, the Task Force recommended that the program be financed via a progressive payroll tax (possibly split between employees and employers) and an income-based tax for self-employed individuals. program contributions would begin at age 18, with waivers (or exclusions) for individuals below a certain income level. Most of the designs also include a contribution limit to improve the reasonableness of program benefits relative to an individual's contributions. The level of the contribution limit has yet to be defined.

While this financing mechanism would not allow current retirees to contribute or vest, several scenarios are being considered to extend program coverage to this cohort of individuals, including a personal income tax, premium contributions, lump-sum buy-in, or funding from California's General Fund revenue.

OTHER KEY PROGRAM DESIGN FEATURES

- **Program structure.** All designs provide front-end coverage (program benefits will generally be payable near the beginning of an individual's LTSS need) with a vesting criteria of either 5 or 10 years of program contributions. Partial (pro-rated) benefits are available after 3 or 5 years, depending on the design.
- **Benefit eligibility trigger.** To receive benefits, vested individuals must be unable to perform 2 of 6 activities of daily living for at least 90 days or have severe cognitive impairment. This is consistent with the benefit eligibility trigger used for most private LTC insurance products.
- **Elimination period.** Design 2 includes a 90-day elimination period, while the other four program designs do not have an elimination period.
- **Benefit inflation.** Program benefit increases will be based on a consumer price index and evaluated annually. Benefit increases are not automatically applied except for Design 5.
- **Informal or family care.** Program benefits could be used to reimburse informal or family caregivers subject to completion of certified caregiver training. Three of the program design options also include a cash benefit alternative (50% of the reimbursement benefit level), which could be used to pay informal or family caregivers without requiring certified caregiver training.

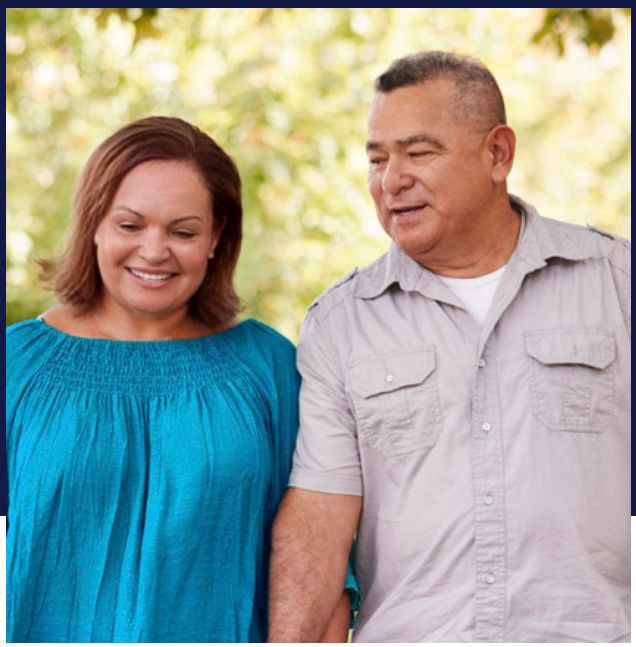
NEXT STEPS

The implementation of any LTC program in California is still years away. The Task Force will make its final recommendations to the California Legislature in an Actuarial Report submitted by January 1, 2024. From there, legislation would be required to establish a statewide LTC program in California.

As the exploration of public LTSS programs continues in California and other states across the country, conscious collaboration between the private and public sector, particularly with regard to consumer awareness and education, will be essential to ensure a viable solution for our aging population. Furthermore, collaboration across states may increase efficiency (e.g., by sharing knowledge and lessons learned) and facilitate the development of more consistent state-based LTSS programs. This in turn will enable the private industry to effectively contribute to the aging solution, such as through the development of supplemental or wrap-around insurance products. It may also enable effective participation by the federal government. The cost (and risk) of needing LTC can be substantial, and while there may not be a one-size-fits-all model, collaboration is key to a successful outcome.

STEPHANIE MOENCH, FSA

Stephanie is a Principal with Oliver Wyman and co-leads Oliver Wyman's Long-Term Care Actuarial Practice. She has over 10 years of LTC consulting experience and is part of the Oliver Wyman team supporting the state of California in assessing the feasibility of implementing a statewide LTC program for its residents.



LTC CASE STUDY

Chris & Barb

Study provided by
Kelly Augspurger, CLTC®

Chris and Barb* are 61 years old and live in Indiana. They recently sold their business and are still on staff doing outside sales and admin work. They have two kids in their 20s. Chris is in good health and Barb is in fair health; Chris takes one cholesterol medication. Barb is substantially overweight and had bunion removal surgery on both feet. She also has minimal cartilage in one of her large toe joints.

Their combined income is $200k/yr. They have about $1.8M in retirement savings, no debt, and home equity of $350k. Chris plans to work three more years and Barb one to two more years. Both are financially conservative.

They both have long-term care (LTC) experience with family members. Chris' mom lived to age 80 and needed care when she had cancer. His dad lived to age 90 and stayed at home receiving paid care. Chris helped from a distance with managing finances. Barb's parents are divorced. Her mom is 85 and currently receiving care at home. Her dad is age 90 and his current wife provides his care. Barb's parents aren't in town so they physically can't provide care for them, nor would they want to.

They're main concerns with LTC are that they don't want to be a burden to each other or their kids. They'd rather hire professional care than depend on family. They also have a desire to leave a financial legacy to their kids.

We reviewed multiple options available to them, including traditional LTCi plans from Mutual of Omaha (MOO) and Thrivent, as well as Life/LTC linked benefit plans. Barb was not health eligible with NGL or Nationwide, and quoted Class 1 with MOO and Thrivent.

Based on their situation, budget, and local care costs, we decided that $5,000 per month would be adequate to supplement their assets and provide meaningful and affordable coverage.

The chart on the following page breaks down our findings by company.

Before our quote review meeting, we discussed how some carriers have limited pay options, so I showed them 10-pay options with Thrivent and State Life. Chris and Barb liked the idea of not having to pay premiums for the rest of their lives. After reviewing these options, they decided they would rather reposition a lump sum of money and not have any recurring premiums. Since they recently sold their business, they had extra cash on hand.

	MUTUAL OF OMAHA	THRIVENT	STATE LIFE
Initial Max Benefit	$5,000 monthly	$5,000 monthly	$5,000 monthly
Benefit Period	3 years each	3 years each	66 months total
Initial Benefit Pool	$180,000 each	$180,000 each	$333,334 total
Elimination Period	90 calendar days	90 service days 1:7	0 (home care) / 90 (service days facility)
Inflation	3%	3%	3%
Death Benefit	No	No	Yes ($166,667)
Shared Benefits	Included	Not included *class 1 ineligible*	Included
State Partnership	No *not available in IN*	Yes *only if choose 5% inflation*	No
Cost Certainty	Not guaranteed, but stable	Guaranteed first 5 years	Guaranteed
Cost	$8,724 yearly	$6,715 yearly **OR** $15,847 10-pay	$11,875 yearly **OR** $23,202 10-pay

Here's what we did:

State Life

- Lump sum: $200,000
- Initial monthly benefit: $5,683 each
- Benefit period: 66 months total
- Initial benefit pool: $378,848 total
- Inflation: 3% compound, lifetime
- Monthly benefit in 25 yrs.: $11,552 each
- Benefit pool in 25 yrs.: $770,126 total
- Death benefit: $189,424

We solved for their monthly benefit by taking a lump sum of $200,000. They were excited to get a higher monthly benefit than what we originally looked at and that they would have $32,000 doing a lump sum instead of a 10-pay with State Life. More lenient underwriting, concierge care coordination, and a joint waiver of premium with State Life was also attractive.

SUMMARY

We eliminated on-going premiums by doing a lump sum and were able to get a higher monthly benefit than expected. Chris and Barb were very pleased with the outcome!

** Names have been changed to protect privacy.*

Kelly Augspurger, CLTC®

Kelly is the co-founder of Steadfast Insurance, an independent insurance agency in Westerville, OH. Kelly helps clients and financial advisors plan ahead for LTC. Her goal is to reduce the physical, emotional, and financial consequences that come from a loved one needing long-term care. She does this by having "planning for care conversations" and then funding that plan with LTC insurance.

Kelly is an instructor for the CLTC program. She is on the board of the Central Ohio Elder Care Planning Council, founded the Senior Resource Group, and serves on Westerville's Chamber for Women in Business committee.

Would you like to have one of your case studies featured in the CLTC Digest?
Submit your article of 1,000 words or less to info@ltc-cltc.com.

Innovative Artificial Intelligence Helping Older Adults Age in Place

By Noa Almog

As a long-term care specialist, you know better than most that people want to remain in their homes for as long as possible, even as their needs and environment change. Home is familiar, comfortable, and provides a sense of independence. However, as people age it can become increasingly difficult to maintain the home life they are used to and want to preserve. The passing of loved ones, friends, busy lives of children and other family members (who may not be near), can interfere with an older adult's ability to maintain social relationships and remain active, independent and healthy.

Finding a companion that shows genuine interest in an older adult's needs, activity and overall wellness, as well as demonstrates compassion and empathy AND is available 24/7 can be tough, if not nearly impossible. Until now. Artificial intelligence has brought new possibilities and opportunities to many areas of our lives, including this one.

INTRODUCING ElliQ

ElliQ is an empathetic care companion that empowers healthy, happy independence at home. And don't overlook her because she's a robot. ElliQ offers health and wellness support, entertainment, facilitates communication with loved ones and helps with daily activities. Better yet, that's her only job! As a result, she's helping more and more people age independently, improve their health and avoid loneliness.

Intuition Robotics developed ElliQ and perfected her with three years of field testing with older adults. She's special for many reasons, including,

1. **HER FAVORITE PEOPLE ARE OLDER ADULTS.**

   ElliQ was designed specifically as a companion for older adults. Recognizing technology can be more intimidating for this segment of the population, she is easy to get to know! She is a voice-first technology so there is no need to download or manage an interface with buttons or swiping. And she's patiently persistent, devoted to teaching her companion about various features and capabilities over time. And if help is needed, she's backed by a team of representatives trained to work with this segment of the population.

2. **SHE'S NOT SHY.**

   Unlike many other digital assistants, ElliQ doesn't wait for the user to ask a question but instead initiates conversations, suggests activities, motivates her companion to lead a healthy lifestyle, and encourages them to stay engaged and connected to loved ones and caregivers.

3. **SHE WAS BROUGHT UP RIGHT.**

   Empathetic and compassionate. Devoted (if not downright doting). ElliQ uses her artificial intelligence to learn about her companion's preferences, routines, and goals. Remembering past conversations, ElliQ initiates conversations based on what she knows about her companion, helping them develop an even deeper relationship.

WHAT'S THE KIND OF SUPPORT ElliQ OFFERS?

When it comes to health and wellness support, she can remind her companion to take their medication, stay on top of their fluid intake, engage them in breathing and meditation exercises, and help them set goals and track them (e.g., reduce blood pressure by tracking it together). ElliQ is also an endless source of nutrition, sleep and wellness tips.

Being a good companion means being engaged and communicating. ElliQ keeps her companion updated on the latest news, compiles and streams their favorite music, engages in small talk and shares jokes and riddles. She's dedicated to keeping the mind sharp with inspirational quotes, fun facts, and engaging in trivia and cognitive games.

And she's not greedy. She makes sure her companion keeps in touch with loved ones, organizing video calls, and reaching out if a concern arises.

80% REDUCTION IN LONELINESS

Loneliness can be a serious health issue, and not uncommon amongst the aging population. It can lead to serious health conditions like heart disease, contribute to the spread and growth of cancer cells and inflammation leading to diseases such as Alzheimer's. Not surprisingly, reducing loneliness is one of ElliQ's key objectives. Using an internal impact study, Intuition Robotics invited some of ElliQ's companions to share their perspective on how living with her had impacted their sense of companionship and wellbeing—she got an A+!* See some of the study results on the next page.

The majority of respondents agreed that ElliQ helped increase companionship, decrease loneliness, and improve their overall wellness by staying physically and mentally active.

ElliQ IMPACT STUDY
RESULTS

85%
EXPERIENCED INCREASED SENSE OF COMPANIONSHIP

80%
DESCRIBED DECREASED SENSE OF LONELINESS

90%
SAID ElliQ MADE THEM FEEL BETTER

65%
FELT ElliQ HELPED THEM STICK TO HEALTHIER HABITS

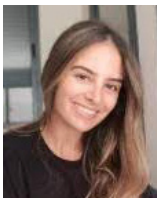
60%
FELT ElliQ HELPED THEM STAY MORE PHYSICALLY ACTIVE

82%
SAID ElliQ HELPED THEM STAY MORE MENTALLY ACTIVE

*SOURCE: Through a combination of online and phone surveys, 40 users opted to participate in this quantitative survey. Respondents had lived with ElliQ for an average of 221 days (range: 30-735 days).

ElliQ harnesses technology to be a digital care companion to help older adults remain active, engaged, and independent. Through proactive and empathetic engagement, she reduces social isolation and empowers users to take control of their physical, mental, and social health. And better yet, ElliQ personalizes the experience for each individual—making them feel seen, heard, and understood. What everyone wants, regardless of age. She projects empathy, compassion and builds trust and deep relationships over time.

If you would like to learn more about ElliQ, the product is commercially available at elliq.com.



NOA ALMOG

Noa is the Product Strategy Director at Intuition Robotics. With experience in product leadership in the technology industry, Noa is passionate about using technology to improve people's lives. Prior to Intuition Robotics, Noa has worked for Google Duplex, and served as the Head of Mobile Product at DayTwo, successfully leading consumer products from definition to launch.

To contact Noa, email:
noaalmog@intuitionrobotics.com