



## Compliance Corner Webinar:

### What You Should Know to Help Your Clients with Their Long-Term Care Needs

August 17, 2017

**Q:** What states have already adopted the pricing rules? I'm in the market and don't want to buy now if I will see a huge increase. I'm in Michigan.

**A:** 41 states have adopted versions of the NAIC premium stability rules. The states that have not are Massachusetts, Connecticut, New York, Indiana, Mississippi, Nebraska, Colorado, and Nevada. However, those states may have separate rules on LTC pricing. For more information visit [naic.org](http://naic.org) or individual state departments of insurance websites.

**Q:** Rate stability legislation is a joke. How do you explain a product sold in 2009 getting a 51.5% increase in 2018?

**A:** Not most people's experience. Depends on the state and the carrier and product circumstances. Regardless, the industry and regulators have lost a lot of credibility and need to build up confidence in the system. The system is unintentionally funny, not purposely. You can look up rate history here <http://www.insurance.ca.gov/01-consumers/105-type/95-guides/05-health/01-ltc/rate-history.cfm> to see when the policies that had rates increases were sold.

**Q:** I read that some nursing homes only have 3% of their beds available for Medicaid funded folks. Why is the slide so high at 64%?

**A:** The slide referred to how much of nursing home funding is provided by Medicaid. Some nursing homes are nearly 100% Medicaid funded. Some homes try to minimize Medicaid funding because it is less than private pay, and many assisted living facilities **only** accept private pay or LTC Insurance.

**Q:** Are there carriers offering true group LTC plans again?

**A:** Currently Genworth Financial

**Q:** The eligible LTC premium reimbursement from the HSA account - are you showing the annual maximums you can put toward the LTC premium?

**A:** yes, these are the annual maximums per person that can be paid towards premiums (per person if a couple). If the premium is less than the maximum, you can reimburse yourself for past years when premiums were not completely paid for.

**Q:** How much life insurance with LTC riders are you seeing?

**A:** LTC with riders represent about 25% of the Universal Life market increasing each year.

**Q:** Who is the group carrier?

**A:** Genworth



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**Q:** You didn't mention LTC Partnerships. Are sales based on this model not taking hold? They also require 5% inflation, not 3%. Do we need adjustments to the law?

**A:** Some states have adjusted the inflation requirement.

**Q:** Thoughts on ANNUITY contract hybrid LTC?

**A:** Make a lot of sense if doing a 1035 exchange from an existing non-qualified annuity out of the surrender period. Give up some yield but a way to get money out of the contract tax-free for qualified LTC expenses. Look to pension protection act.

**Q:** Many states don't have 5% compound mandate for Partnership. MD has changed to be 1% minimum

**A:** Yes, many states have changed this.