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**MAGA**  
Long Term Care Planning



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Dear Clients, Colleagues, and Friends,

We'd like to thank everyone who participated in our educational webinars on March 15 and 16. We're gratified that such a large number of financial professionals attended, earning CE credit and deepening their knowledge of Long Term Care planning options.



From where we stand, interest in asset-based LTCI products, which offer unparalleled design flexibility, has never been higher.

We will be offering more open webinars soon, so keep an eye out for future announcements. In the meantime, if you have questions or would like a quotation, please contact Peter R. Florek ([peter@magaltc.com](mailto:peter@magaltc.com)) or me ( [brian@magaltc.com](mailto:brian@magaltc.com)) by email or call 800-533-6242.

Sincerely,

Brian I. Gordon, CLTC  
President

## *There's Still Time!* **MassMutual's Unisex LTCI Rates**

We previously alerted you to the fact that MassMutual—the last major LTCI carrier to offer unisex rates—is planning to convert to gender-based rates. Please be aware that MassMutual has not yet finalized this rate change, so there's still time for your female clients to lock in more advantageous unisex rates.

As you'll recall, because women generate the majority of LTCI claims, unisex rates offer them a greater-but increasingly hard-to-find-value. All the other major carriers have already moved to gender-based rates.

MassMutual's LTCI product is available to individuals between the ages of 40-75. If you're working with female clients who are ready to purchase LTCI coverage, we urge you to obtain quotations now, in advance of the rate change. [Contact us to request a proposal.](#)

## New Stats: LTCL Claims Are Up, Premiums Are Down

In 2015, long term care insurers paid \$8.15 billion in claims, up from \$7.85 billion in 2014, according to a study by our industry Association, AALTCI.

Benefit payments increased by nearly four percent, and an additional 10,000 insureds began receiving benefits, on top of the 250,000 claimants receiving benefits in 2014. Insureds are using their LTCL benefits!

At the same time, a recent pricing analysis has revealed that initial premium costs are down seven to nine percent from last year, due primarily to adjustments in policy pricing. The study also found that pricing varies widely by insurer, which is one reason why we always provide advisors and clients with proposals from multiple carriers.

The takeaway: LTCL is a valuable, much-utilized benefit, and for individuals contemplating coverage, 2016 is a great time to secure coverage at a good value.



## Case Study: The Value of the 5% Compound Inflation Option



**Insured: "Ann," 87 years old**

**Original LTCL benefit: \$100 per day with 5% compound inflation**

**Current LTCL benefit: \$322 per day with 5% compound inflation**

**LTCL benefits paid to date: more than \$750,000**

"Ann" has been a MAGA client since 1990. At the age of 62, she purchased an LTCL policy with a \$100 dollar per day benefit and 5% compound inflation option. At the time, Ann lived in the independent living section of a continuing care retirement community (CCRC).

Ann went on claim in 2007, gradually moving from independent living to the facility's assisted living unit. (Assisted living facilities are defined as those that provide 24/7 nursing care, have an RN on site 24/7, and offer residents three meals a day.)

During her nine years on claim, Ann's benefits have increased from \$100 per day to \$322 per day as a result of the 5% compound inflation option. She has been on Waiver of Premium this whole time.

Because hers is an indemnity policy, she is paid the entire \$322 benefit, regardless of what her care actually costs.

To date, Ann's LTCI policy has paid more than \$750,000 in benefits. Because Ann chose lifetime benefits, her policy will continue to pay for her care indefinitely.

While LTCI plans with lifetime benefits are hard to find these days (we are aware of only one asset-based plan that offers this option), the 5% compound inflation option is widely available. It's also one we often recommend that clients consider, even for basic LTCI policies. This is why!

## MAGA in the News

A hot topic for us right now is the role long term care planning can play for those who are divorced or in the process of divorcing. After all, for newly single individuals—who've lost their primary health care advocate as well as a portion of assets—LTCI can help fill the breach. In addition, we're seeing more requests for LTCI policies as part of equitable divorce agreements.

You can read more about this topic in our recent article, "[LTCI and Divorce: A Conversation Worth Having](#)," which appeared in Insurance News Net Magazine.

Our President, Brian Gordon, will also be discussing this topic on [Real Money Radio](#) with financial advisor David Holland on an upcoming show. We'll provide more details after the taping in early April, but we're finding there's great interest in this topic.

In the meantime, Brian continues to co-host an LTCI segment on [The Price of Business](#) talk show on 1110 AM KTEK radio. You can listen to podcasts of the shows on our website, [magaltc.com](#). (And if you'd like to be a guest on the show, shoot Brian an email at [brian@magaltc.com](mailto:brian@magaltc.com))

## We're Here to Help

Please contact us with questions, comments, or even just to say hello.



**Murray A. Gordon**  
CEO and Founder  
*41 years of experience in a  
42 year old industry.  
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\* Source: AALTCI 2015-2016 Sourcebook

— Praise for MAGA —

"MAGA, Ltd. is an important resource that helps me meet the needs of my clients. I value their expertise regarding long term care insurance, their access to multiple insurers, and their commitment to do what's best for the client. I appreciate their professionalism, excellent response time, and follow-through.

*My professional relationship with MAGA not only helps me better serve my clients but contributes to my success as a financial planner."*

- Linda Y. Leitz, CFP, EA  
Co-Owner, It's Not Just Money, Inc.

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