

41 YEARS OF GUIDANCE, SERVICE AND EXPERTISE

MAGA
Long Term Care Planning



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Dear Clients, Colleagues, and Friends,

We are frequently asked what trends we're seeing in long term care planning. I'm happy to report that we're seeing one purely positive trend.

More and more, LTC planning is becoming a family affair. We are currently working with several multi-generational families seeking long term care protection for their loved ones, and the door swings both ways.



For example, I recently had the pleasure of working with adult siblings who chipped in to purchase LTCI for their parents. For about \$4,000 per year in premiums, they're ensuring their parents can stay in their home should one of them require care...while sparing the kids a potentially life-changing caregiving burden.

On the flip side, I've been working with a retired couple who purchased LTCI plans for their grown children. The pair, who purchased policies from us years ago, believe strongly in the value of long term care planning. They decided to gift their adult kids with policies in the course of distributing some assets.

These families are not only having the LTCI conversation, but taking action...and that's a good thing.

If we can help you and your clients with LTC planning at any time, please email maga@magaltc.com or call 800-533-6242. Please note that our office will be closed Friday, July 1 and Monday, July 4 in observance of Independence Day.

Sincerely,

Brian I. Gordon, CLTC
President

P.S. If you haven't attended one of our earlier CE webinars, please let us know if you'd be interested in attending a summer program. Our webinar, "The Next Generation of Long Term Care Planning," provides plenty of timely information and will earn you one CE credit.

OneAmerica Announces Asset-Care Rate Increase



Effective July 1, OneAmerica will be increasing base premium rates on its Asset-Care life insurance product with LTCI.

This is the product's first rate increase in four years, and it will affect new business only. (Clients who already have Asset-Care policies will not see a rate increase, because their premiums are guaranteed.)

As you may know, we often recommend Asset-Care because it offers many advantages. These include:

- Flexible premium payment options — including single pay, 10-20 pay and lifetime payments.
- A Continuation of Benefits rider — insureds can extend their benefit period by electing a continuation of benefits, which picks up when the base benefit period is exhausted. Clients can choose a rider duration equal to their base benefit period (25, 33, or 50 months) or choose a lifetime benefit, which we haven't seen offered elsewhere. (Most hybrid policies' benefit periods max out at 72 months).
- Partner benefits — Both base and continuation of benefits are available to each partner for the full amount, in effect "doubling" total monthly LTC benefits. The death benefit is paid after the last insured's death, as with second-to-die life insurance policies.
- Potential "double benefits" — When a couple elects both lifetime benefits and partner benefits, each could potentially receive full monthly LTC benefits at the same time for an unlimited period of time. This is an extraordinary benefit within the scope of our industry.

We believe Asset-Care will continue to be a good value for clients and we'll continue to propose it. However, if you have any clients who are currently considering an Asset-Care policy, we recommend they submit their application to MAGA no later than June 29 to lock in the lower rates.

P.S. On another note, OneAmerica recently introduced a new resource for financial professionals dealing with the Department of Labor's new Conflict of Interest Rule. Advisors can access OneAmerica's educational "Fiduciary Rule" website at <https://www.oneamerica.com/campaigns/fiduciary>.

Does LTCI Offer International Benefits? *Yes, But...*



It appears that more and more baby boomers are thinking about retiring abroad, drawn in part by the lower cost of living. But will their long term care insurance policies cover care received outside the U.S.?

The answer is...it's complicated. Most LTCI policies do offer international benefits, but they're often more limited than those provided for care received in the U.S. Sometimes, the dollar amount is reduced. Sometimes, the benefit period is shorter. International benefits vary widely by carrier and by plan.

Clients who already have LTCI should review their policy provisions if contemplating a move abroad, so they can plan accordingly.

And for clients preparing to purchase LTCI, one question to ask is: are they considering an overseas retirement? If so, we can make sure they are offered an LTCI policy that offers some international benefits. A little planning goes a long way.

Insurance Industry News: New Traditional LTCI Plan to Launch

We are about to see something we haven't seen in over a decade: a new traditional LTCI product, offered by a carrier new to this market. The product is scheduled to launch in late summer or early fall.

This is big news in the LTCI industry. Although new asset-based plans continue to come to market, traditional plans have been on hold for some time. The news would indicate that the industry is confident that it now has a firm grip on traditional LTCI pricing.

We are currently assessing the product and the carrier, which already sells an asset-based LTCI product. (The product has some compelling features, including lifetime benefits and a return of premium option.)

We are highly selective about the products we offer and the carriers we work with. When evaluating plans, we look for well-designed plans, competitive but sustainable pricing, and quality carriers that demonstrate a long-term commitment to the LTCI market. We look forward to sharing more information once we complete our evaluation

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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