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Dear Clients, Colleagues, and Friends,

You probably haven't heard about this elsewhere, but we think you'll find it significant. Very recently, Mutual of Omaha- one of the leading traditional LTCI carriers- began placing benefit limitations on applicants who have an immediate family history (i.e., parents and siblings) of any form of dementia, including but not limited to Alzheimer's disease.



In these situations, the carrier is limiting benefits to a five-year maximum benefit period and an immediate \$5,000/month first year maximum monthly benefit (out of a possible \$10,000 maximum). If more than one family member has been diagnosed with dementia, the applicant is declined coverage altogether.

To date, Mutual of Omaha is the only LTCI carrier taking this step, but we predict that other companies may follow suit. After all, according to the Society of Actuaries, Alzheimer's disease is currently the leading cause of LTCI claims for ages 65 and over as well as the most expensive.

We will keep you posted on any further developments. In the meantime, if you have any questions, please give us a call.

Sincerely,

Brian I. Gordon, CLTC
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Peter R. Florek, CLTC
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Did You Attend Our CE Webinars Yet?

We'd like to thank all those who attended our most recent CFP®-Approved CE webinars. We're delighted that so many financial advisors are taking advantage of our educational offerings.

If you haven't yet attended "LTC Planning: How to Choose the Best Funding Option for Clients" or "LTC Combo Plans: An in-Depth Look at Asset-Based LTCI Policies," we'll be offering another set of open webinars in the fall, each with a value of one CE credit hour. Once the dates are set, we'll announce them here.

And please know: we're open to scheduling custom webinars for firms with multiple advisors. It's a great way to get the whole staff up to speed fast on the ins-and-outs of sound LTC planning. Call or email us to get the ball rolling.

In addition, please know that our team is here to help with your clients' long term care planning needs, all summer long and beyond.

Don't Be Misled by Cost of Care Surveys

Part of every long term care planning conversation should include the cost of care. But beware: the cost of care surveys produced by insurance companies- such as Genworth's frequently-cited Cost of Care

- Survey- can be misleading.

These surveys typically list LTC costs nationally, by state and by region, breaking out costs for nursing homes, assisted living facilities and home health care. The problem is, they don't always reflect actual costs. For example:



True Home Health Care Costs

According to Genworth's 2017 Cost of Care Survey, the national average cost for home health care is \$4,099/month. That's

- \$50,000 per-year- a relatively manageable cost that, for many families, would allow Mom to stay in her home.

But look closer: that figure is based on 44 hours of care per week, or just 6.3 hours per day. What about the other 17.7 hours? At \$22.78/hour (the national average, per the same survey), round-the-clock care really costs \$16,629/month or \$199,563/year.

And in some areas, costs are higher than average. In the Chicago area, home care costs average close to \$30/hour, which translates to an annual cost of \$262,800/year. I know this on a personal level: it's what my uncle paid for home care in the Chicago area three years ago.

True Assisted Living Costs

There's a similar problem when it comes to budgeting for assisted living. According to Genworth, the national average cost for a private, one bedroom suite is \$3,750 per month. The issue is: what does the fee include beyond room and board?

Some facilities charge extra for care services, such as help with dressing and bathing, medication management, incontinence management or laundry- all which can add up to thousands more per month. Facilities vary in terms of what is included and what is extra, which makes it hard to compare costs between facilities.

Either way, the real cost of care will probably be greater than what your clients anticipate based on cost of care surveys. When you're helping clients make long term care planning decisions, it's important to work with complete, real-world costs.

Peter R. Florek, CLTC
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Medicare Supplement Plans, by the Numbers

56.8 Americans received Medicare benefits in 2016. As you know, Medicare clearly doesn't pay all health expenses. That's why more and more people are purchasing Medicare Supplement plans, or "MedSup."

If your clients are receiving Medicare or will be soon, please know that we provide Medicare Supplement plans in most states. You can expect the same quality products and attentive service you receive from us regarding LTCL. For more information, call us 800-533-6242 or email us at maga@magaltc.com

Genworth/China Oceanwide Deal Moving Forward

We recently learned that the proposed acquisition of Genworth Financial by China Oceanwide Holdings Group Co. is closer to becoming a reality.

You may remember that, since announcing the proposed purchase in 2016, Genworth has continued to remain active in the LTCL market, paying claims, servicing policies and selling new LTCL products.

Last month, the U.S. Committee on Foreign Investment approved the purchase. However, approvals from insurance regulators in New York, Delaware, China and other jurisdictions remain pending.

For more details about the deal's progress, see [this recent article in ThinkAdvisor](#).

We're Here to Help

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



Murray A. Gordon
CEO and Founder
*43 years of experience in a
44 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
President
Peace of Mind
Financial Planning, Inc.

"MAGA Ltd. has been invaluable to our practice when helping clients prepare for long term care costs. We appreciate their review of inforce policies - and we count on MAGA to keep us up-to-date. They've worked with NAPFA members for many years and service is always excellent."

Carolyn McClanahan, M.D., CFP®
Life Planning Partners, Inc.

"Thank you for helping Mrs. B. get approved to receive LTC benefits. We appreciate the support, guidance and advice you gave us. You're a pleasure to work with. Once you were involved, I knew we were in good hands."

-Debra Lapin, LCSW
Community Relations,
Belmont Village of Buffalo Grove

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WE WORK WITH...

highly-rated insurance carriers in order to serve our clients' best interests.

Ask us about traditional LTCI & asset based/hybrid plans.

MAGA proudly supports these organizations:



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