



McGill Brokerage Agent's Introduction and Training Guide for Long Term Care Insurance

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McGill Brokerage LTCi Introduction



As a leading provider of long term care insurance (LTCi), McGill Brokerage has worked diligently to make the sale and processing of LTCi much simpler and more profitable for our producers. Through our vast experience in the industry, we have dedicated our team to identifying the most appropriate ways to help producers through the process of selling and placing LTCi cases. McGill Brokerage makes the process efficient, while offering access to the broadest selection of quality LTCi products and carriers available in the marketplace.

LTCi SALES AND BACK-OFFICE SUPPORT

It is our mission to provide producers with the perfect client experience and we have dedicated our time and energy to providing full-service LTCi sales and back-office support throughout the entire case process, including:

- ✓ Agent Contracting
- ✓ Marketing Support
- ✓ Carrier Selection
- ✓ Plan Design and Proposal Generation
- ✓ Application Processing
- ✓ Medical Pre-Qualification
- ✓ Policy Service

COMPETITIVE LTCi CARRIERS AND PRODUCTS

We are proud to be able to offer access to the leading, top-rated LTCi carriers in the industry. These relationships allow us to provide producers with a thorough analysis of all the options available to answer clients' LTCi needs, including traditional LTC and hybrid LTC alternatives.

TRADITIONAL LTCi



HYBRID LTCi



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Getting Started Selling LTCi with McGill Brokerage



CONTRACTING AND LICENSING

All licensing requirements MUST be complete before you begin offering Long Term Care insurance (LTCi) to your clients. If your agency does not hold a direct contract with an Long Term Care Carrier, please contact McGill Brokerage at 800.279.0751.

CONTINUING EDUCATION REQUIREMENTS (CE)

Most states require an eight hour NAIC partnership training course with a four hour refresher course every two years. The following states: CA, CT, IN and NY, have specific training requirements. Please check your state department of insurance website for state specific training requirements.

REQUIRED CLIENT MATERIALS

The following materials MUST be presented to ALL potential clients.



The Guide to Medicare

MUST be presented to anyone **age 65 or older**.



The NAIC Shoppers Guide

MUST be presented to **ALL applicants**.



Outline of Coverage

MUST be presented to **ALL applicants**, but is usually a part of the application package and isn't ordered separately.

REQUIRED HEALTH ASSESSMENTS

Depending on the age and health of the prospective insured, some or all of the following information may be required:



Telephone or Face to Face Interview, MIB Report, Prescription Drug Report, Functional and Cognitive Assessment

A licensed health practitioner (usually a nurse) will visit the prospective insured to obtain/complete this information. You should advise your clients to expect a call to schedule this meeting.



Attending Physician Statement (APS)

Medical records could also be requested from the client's doctor to document the medical history.



Paramedical Examination

This exam is completed by an approved paramedical facility and includes questions about medical history, blood pressure readings and height/weight measurements, and may include collection of blood and urine specimens.



Five Important Steps in Selecting an LTCi Policy

McGill Brokerage understands that each long term care insurance (LTCi) case is unique, but we have identified five important steps that will help you identify which carrier may better match the needs of your client based upon health, marital status (or other living arrangements) and age.



1. FINANCIAL RATINGS

The financial security of the carrier issuing the LTCi policy is one of the most important points to consider when selecting a policy. McGill Brokerage only offers access to carriers that maintain at least an "A" rating from at least one of the following top rating services: A.M. Best, Standard & Poor's and/or Moody's.

2. MEDICAL UNDERWRITING

Your client's health will often determine which carrier is recommended. Depending on the medical condition of your client, certain carriers will underwrite applicants that other carriers typically decline. These carriers may offer "sub-standard rates" or will issue the policy on a "rated" basis, which increases the premium for clients afflicted with certain medical conditions. Several carriers offer preferred rates for applicants in good health and/or who meet certain requirements, such as non-smoking status or particular height/weight ratios.

3. OBTAIN YOUR CLIENT'S MEDICAL INFORMATION

To obtain the necessary information for medical underwriting, ask your client the following questions prior to the appointment:

-  *Have you been hospitalized at any time during the last ten years? If so, for what conditions?*
-  *What medications are you currently taking? For what condition(s) were these prescribed?*
-  *What is your height and weight?*
-  *Is there anything else that I should know about your health?*

4. SPOUSAL DISCOUNT

All of McGill Brokerage's LTC carriers offer spousal discounts. Some carriers will provide discounts when both spouses apply and are approved for coverage, while other carriers will provide a discount regardless of whether the spouse applies or applies for different coverage. Certain carriers also offer discounts for friends or family members living together.

Please note: spousal discounts may vary based on the applicant's state of residence.

5. PREMIUM TOLERANCE

Some LTCi plans are more robust, while others may offer a more basic level of coverage - it is important to find a policy that provides adequate LTC coverage while remaining within your client's budget. Please contact McGill Brokerage at 800.279.0751 to discuss the appropriate options available to your client.



Primary Components of LTCi Case Design



The following are guidelines that McGill Brokerage has established for selecting the combination of benefits that will give your client the most appropriate, cost-effective long term care (LTC) coverage. We suggest that you incorporate these guidelines surrounding the components of long term care insurance (LTCi) into your future quote requests.

DAILY/MONTHLY AND HOME HEALTH CARE BENEFIT

McGill Brokerage offers comprehensive policies that provide coverage for home health care, adult day care, nursing home care, assisted living care and hospice care.

We typically recommend the monthly benefit be 100% of the prevailing daily LTC cost associated with a stay in a semi-private nursing home in your client's area.

BENEFIT PERIODS

-  **Traditional LTCi**
The average benefit period is between three and five years.
-  **Hybrid LTC Policies**
The average benefit period may vary depending upon the product. Each carrier has its own preferred benefit period structuring, some offering as much as lifetime coverage.

INFLATION PROTECTION

-  **Compound 1% - 5%**
A majority of carriers offer compound inflation protection (3% is most commonly chosen) in which the benefit will increase by the chosen amount on an annual basis.
-  **Simple 3% and 5%**
Only a few carriers offer simple inflation protection; please contact McGill Brokerage with any questions regarding simple inflation options.
-  **Step-Rated 3% and 5%**
This inflation option increases the benefit and premium simultaneously and is offered by few carriers.

ELIMINATION PERIODS

The elimination period is the 'waiting period' before benefits begin to be paid, and determines the future out of pocket cost for the selected time period. Elimination period options include 30, 60, 90, 180 and in some cases 365 days - the most common is 90 days.

CALCULATING THE PREMIUM

To determine the most cost-effective policy (the most value), base your comparison on the following components:

- ✓ Daily Benefit Period
- ✓ The Benefit Period (2 yrs. - 6 yrs., lifetime)
- ✓ Home Health Care Amount
- ✓ Selected Elimination Period
- ✓ Selected Inflation Protection Option
- ✓ Eligible Discounts (spousal, group, etc.)
- ✓ Underwriting Level (preferred vs standard vs sub-standard)
- ✓ Non-Forfeiture and Other Riders

McGill Brokerage Traditional LTCi Carrier Summary



McGill Brokerage works with the leading traditional long term care insurance (LTCi) carriers in the industry and we understand that each carrier/product has particular strengths in the marketplace. We have designed this summary to highlight the strengths of each of our LTCi carriers. Please reach out to McGill Brokerage at 800.279.0751 with questions or for additional information on any of the carriers/products mentioned in this summary.

MUTUAL OF OMAHA

MUTUAL CARE SOLUTIONS: SECURE AND CUSTOM

- + **Benefit Eligibility:** determined upon review of a chronically ill claim and upon approval they will arrange for a plan of care to be developed by a licensed health care practitioner that Mutual of Omaha designates.
- + **Elimination Period:** based on calendar days not service days.
- + **Benefit Amount:** includes cash benefit equal to 30%/40%* of home health care, maximum \$2,400 monthly benefit plus inflation.
- + **Spouse Security Benefit:** rider will pay an additional 60% of the monthly reimbursed benefit that can be used to help pay for care or living expenses for an uninsured partner, while the insured is on claim. Use of this rider will not reduce the insured's policy limit.

TRANSAMERICA

TRANSCARE III

- + **Comprehensive Coverage:** with no benefit differential for home care.
- + **Three Year Rate Guarantee and Cash Benefit:** built-in to all policies at no additional premium.
- + **Elimination Period (EP):** built-in 0-day EP for home health care.
- + **Optional Benefits:** shared care, return of premium, monthly home care, elimination period credit rider and six benefit increase options, all available for additional premium. *Note: increases under the benefit increase option continue when the insured is on claim.*

NATIONAL GUARDIAN LIFE (NGL)

ESSENTIAL LTC

- + **True Joint Coverage:** a unique offering to our traditional LTCi portfolio. NGL bases the premium rate off of the female rate, using the oldest age of the two individuals.
- + **Funding Options:** paid up over 10 years, on-going premium for life, single lump sum or use of existing cash value from a life or annuity policy via 1035 exchange.
- + **Benefit Period:** lifetime coverage is available.
- + **Optional Benefits:** shared care (third pool), full or limited return of premium, waiver of premium rider, first day home and community care services (HCCS) rider and four benefit increase option riders, available for additional premium.

* 30% for MutualCare Secure, 40% for MutualCare Custom, both max at \$2,400 per month.

McGill Brokerage Hybrid LTCi Carrier Summary

McGill Brokerage works with the leading hybrid long term care insurance (LTCi) carriers in the industry and we understand that each carrier/product has particular strengths in the marketplace. We have designed this summary to highlight the available options and strengths of each of our hybrid LTCi carriers. Please reach out to McGill Brokerage at 800.279.0751 with questions or for additional information on any of the carriers/products mentioned in this summary.



ONEAMERICA

ASSETCARE

- + **Hybrid Type:** whole life with access to 100% of the death benefit for LTC purposes
- + **Policy Structure:** only joint, survivorship hybrid LTC product on the market¹, with the option of adding a lifetime continuation of benefits rider
- + **Funding Options:** lump sum, 10-pay, 20-pay, or ongoing life pay (*Qualified assets may be used for clients older than 59 1/2 - subject to taxation*)
- + **Guarantees:** guaranteed* 4% growth rate upon the cash value, guaranteed death benefit and return of premium.

LINCOLN

MONEYGUARD

- + **Hybrid Type:** universal life with LTC rider, provides guaranteed* benefits to reimburse qualified care
- + **Funding Options:** lump sum, 10-pay, or paid up to age 65 (*1035 exchanges from existing life insurance policies are permitted.*)
- + **Inflation Options:** 3% and 5% compounded
- + **Optional Benefits|Discount:** return of premium, guaranteed* death benefit and marital discount

FORETHOUGHT

FORECARE

- + **Hybrid Type:** fixed annuity, provides income tax free LTC benefits for qualified expenses
- + **Benefit Amount:** can be equal to two or three times the premium amount, dependent on health status
- + **Death Benefit:** at death, all remaining contract value will pass directly to beneficiaries

ONEAMERICA

ANNUITYCARE

- + **Hybrid Type:** single, premium deferred annuity with higher credited rate of interest for qualifying LTC expenses
- + **Tax Free:** money received for LTC purposes is federal income tax free
- + **Extended LTC Coverage:** extended LTC bucket purchase option is available (*if not already built into the product*)

NATIONWIDE

CAREMATTERS

- + **Hybrid Type:** universal life with LTC rider, provides monthly indemnity benefits
- + **Funding Options:** lump sum, paid up over five or 10 years (*1035 exchanges are permitted*)
- + **Inflation Options:** 3% simple or 5% compound
- + **LTC Pool:** client may choose to 'benefit bank' any excess funds from the plan to use at a later time and maximize LTC
- + **Optional Benefits|Discount:** return of premium, guaranteed* death benefit and marital discount

MINNESOTA LIFE INSURANCE COMPANY|SECURIAN

SECURECARE

- + **Hybrid Type:** single premium universal life with LTC benefits, paid as indemnity
- + **Inflation Options:** 3% simple, 5% interest and 5% compound
- + **Funding Options:** lump sum, 5, 7, 10 and 15 pays (*1035 exchanges are permitted*)

¹ As of 03.12.18

* All guarantees subject to the claims paying ability of the issuing insurer.

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Obtaining LTCi Illustrations

McGill Brokerage's goal is to assist you in offering your clients an appropriate combination of benefits from a top-rated carrier, at a cost your client can afford. You can reach out to our sales desk to discuss any of our available products and/or request an illustration in the following ways:



 **PHONE**
Call McGill Brokerage at 800.279.0751 and an associate will be happy to assist you.

 **THE WEB**
Request an illustration on our website at www.jcmcgill.com.

All illustrations will be processed within 24 hours.



HELPFUL TIPS TO REMEMBER WHEN SUBMITTING ILLUSTRATION REQUESTS

1. Include the client's marital status, it is important to note even if the other spouse is not applying.
2. If you are not sure what to request, ask us for the average LTC cost in your client's state or provide us with your client's budget. We can often formulate an illustration to suite his/her specific premium tolerance.

Long Term Care Insurance Quote Request Form



Please print legibly, failure to do so may result in incorrect or delayed quote delivery.

Date: _____

AGENT INFORMATION

Name: _____ Telephone: _____ Ext.: _____

Agent License Number (mandatory for FL and CA producers): _____

Company Name: _____ Affiliation: _____

Email: _____

CLIENT INFORMATION

Name: _____ Male Female

Date of Birth: _____ Age: _____ Smoker: Yes No

Marital Status: _____ Is Client's Spouse Applying? Yes No

Discounts may apply even if spouse is not applying.

If spouse is applying, please provide the following information:

Spouse's Name: _____ Male Female

Date of Birth: _____ Age: _____ Smoker: Yes No

Client's Resident State: _____ State where application will be signed: _____

If an application is signed in a state other than the client's resident state, a valid reason must be included.

POLICY OPTIONS

Carriers You Would Like Quoted: _____

Target Premium/Desired Premium Range: _____

Nursing Home Monthly Benefit: \$ _____ Nursing Home Benefit Duration: _____ Yrs. (1,2,3,4,5,6, lifetime)

Home Health Care Coverage: 50% 75 - 80% 100%

Elimination Period: _____ Days

Inflation Protection Option: Compound _____% None

Riders: Shared Care Waiver of Elimination Period for Home Care Survivorship

Joint Waiver of Premium Nonforfeiture

I would like McGill to call me to discuss available long term care insurance options.

Special Notes:

Please note: McGill Brokerage will only quote a standard rate unless a completed Medical History Form is provided along with this Quote Request Form.

If you have additional questions, please contact McGill Brokerage at

 800.279.0751

 info@mcgillbrokerage.com



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Linked Benefit Quote Request Form



Please print legibly, failure to do so may result in incorrect or delayed quote delivery.

Date: _____

AGENT INFORMATION

Name: _____ Telephone: _____ Ext.: _____

Agent License Number (mandatory for FL and CA producers): _____

Company Name: _____ Affiliation: _____

Email: _____

CLIENT INFORMATION

Name: _____ Male Female

Date of Birth: _____ Age: _____ Smoker: Yes No

Marital Status: _____ Is Client's Spouse Applying? Yes No
Discounts may apply even if spouse is not applying.

If spouse is applying, please provide the following information:

Spouse's Name: _____ Male Female

Date of Birth: _____ Age: _____ Smoker: Yes No

Client's Resident State: _____ State where application will be signed: _____
If an application is signed in a state other than the client's resident state, a valid reason must be included.

POLICY OPTIONS

Hybrid Policy Type: _____

Premium Deposit: _____

Nursing Home Monthly Benefit: \$ _____

Premium: Qualified Non-Qualified 1035 Exchange: Yes No

Benefit Period: _____ Yrs.

Inflation Protection Option: Yes No If yes, what inflation rate is desired?:

Payment Period: Single Pay Flex Pay _____ # of years Life Pay (OneAmerica)

I would like McGill to design a plan.

I would like McGill to call me to discuss available long term care insurance options.

Special Notes:

Please note: McGill Brokerage will only quote a standard rate unless a completed Medical History Form is provided along with this Quote Request Form.

If you have additional questions, please contact McGill Brokerage at

 800.279.0751

 info@mcgillbrokerage.com



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Long Term Care Insurance Medical History Form



Please print legibly. If spouses are both applying, please complete a form for each client.
Should you need to provide more details on any medical conditions, please attach additional sheets.

Date: _____

AGENT INFORMATION

Name: _____ Telephone: _____ Fax: _____
Email: _____

CLIENT INFORMATION

Name: _____ Date of Birth: _____ Age: _____
Resident State: _____ Marital Status: _____
Height: _____ Weight: _____ Gender: Male Female
Smoker: Yes No If client has quit smoking, how long has it been since last use?: _____
Medical Condition: _____ Date of Onset: _____

CURRENT MEDICATIONS AND HOSPITALIZATION HISTORY

Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____
Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____
Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____
Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____
Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____
Medication: _____ Taken For: _____ Dosage: _____ Frequency: _____

Date of Hospitalization: _____ to _____ Reason: _____
Result: _____

Date of Hospitalization: _____ to _____ Reason: _____
Result: _____

Date of Hospitalization: _____ to _____ Reason: _____
Result: _____

Date of Hospitalization: _____ to _____ Reason: _____
Result: _____

Special Notes: _____

If you have additional questions, please contact McGill Brokerage at

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Long Term Care Insurance Coverage Waiver



Long Term Care insurance (LTCi) is an important part of your retirement portfolio. One of the greatest threats to retirees today is the possibility of outliving their money. LTCi provides funds for care when it's needed, protecting income for a surviving spouse and substantially reducing the loss of value in the estate due to long term care costs. It is equally as beneficial to single individuals, and those who are not concerned with leaving a legacy, by protecting assets should the individual recover from the long term care event.

We recommend the purchase of LTCi for your portfolio. Recognizing that there are a variety of benefit options available with LTCi, the following helps explain the differing benefit levels that may be purchased:

Daily Benefit

The average cost for a semi-private nursing home bed in the custodial unit of a local nursing home is:

Daily Benefit \$ _____ City & State _____.

A higher daily benefit may be needed if a private room is desired, if higher levels of care are needed, if the facility is a religious or fraternal association or has a waiting list, or if you decide to retire in another state. There can also be other variables that may make the daily cost of facility care higher than average.

Inflation Protection: (check one)

5% compound inflation option - keeps your current daily benefit up with the cost of care, or

3% inflation option - keeps your daily benefit current with the cost of care, or

Higher daily benefit - an alternative to inflation protection.

Each choice is age-based and the value of a particular inflation protector relates to the age of the insured.

Elimination Period:

By selecting a waiting period shorter than 90 or 100 days, larger out of pocket costs can be insured for less additional premium.

Home Health Care:

Home health care is a viable care option for most people. Because home health care can be more expensive than facility care when many hours of care are needed, home health care may be chosen at 100% of the nursing home daily benefit.

Guaranteed Renewable:

Please be advised that the majority of LTCi programs do not guarantee that the premium will remain level. They do, however, guarantee that your policy will remain in force if you meet your scheduled premium payments. Premiums cannot be raised based upon your health or age.

ACCEPT:

I _____ have read the above information and understand the benefit levels. I will choose the LTC benefit levels and I recognize that such choices may not fully protect my financial portfolio in the future.

Signature: _____ Date: __/__/__

Witness Signature: _____ Date: __/__/__

DECLINE:

I _____ have read the above information and have decided NOT to add Long Term Care insurance to my portfolio.

Signature: _____ Date: __/__/__

Witness Signature: _____ Date: __/__/__



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