

Senior Insurance Training Services

Long-Term Care Insurance Success!



Continuing Education & Sales Training

All New CTQ 8-hour CE Seminar

(800) 460-7487

See Inside:

- All Along the Watchtower Epilogue
- New CTQ 8 hour Correspondence courses available Spring 2003
- New 2002/2003 Fall/Winter Schedule
- Legislative Updates
- LTC Insurance Designation Schedule for CA

Senior Insurance Training Services is proud to announce the completion of the all new 8-hour CTQ CA Long-Term Care Insurance for the Advanced version. This expanded curriculum updates the evolution of Long-Term Care and adds a comprehensive 2001/2002 CA Long-Term Care cost survey covering the entire state of CA in the area's of nursing homes, assisted living facilities, adult day care centers and home health agencies. Also included is an update on Medicare and Alzheimers, a Medi-Cal worksheet, excerpts from HIAA's "Who Buys LTC Insurance in 2000—A Decade of Study of Buyers and Nonbuyers." Two new sections covering the new Federal LTCI programs and AARP's expanded LTCI tax section.

This course is written from the perspective of a researcher, a carrier, an agent and finally as a consumer. There are now over 70 author's notes and special notices in this course that illustrate the various issues surrounding Long-Term Care Insurance, specifically regarding CA Long-Term Care statutes. We hope this new material will be all-encompassing and detailed enough to be considered a reference manual for CA Long-Term Care Insurance issues, and believe you will find our updated seminars very rewarding.

In addition to expanding the current CTQ 8-hour Long-Term Care courses, Senior Insurance has filed for 3 NEW Long-Term Care insurance correspondence courses.

The first course is "TQ vs. NTQ – The Final Debate." This 4-hour CE correspondence course will address all issues/confusion surrounding this controversial subject. It will cover the evolution of Long-Term Care Insurance, how Long-Term Care evolves and understanding benefit eligibility. What this Insurance is and what people want it to be.

The second course covers another area of confusion; the TQ vs. NTQ debate "Long-Term Care Insurance and Taxation". This 3-hour CE correspondence course will engage past and present as well as potential future tax implications pending proposed tax initiatives.

Finally, the third course will review understanding Long-Term Care (not its insurance) a 3-hour CE correspondence course covering the what and why's of Long-term Care.

These courses will be available in Spring 2003.

Host Your Own Private CE/Sales Workshop and receive free copies of the New 2002 (Edition II) California Rate & Consumer Guides

Tom Orr, President of Senior Insurance Training Services, will conduct a one-day 8-hour LTC Sales Workshop, LTC/CTQ or California Partnership seminar for your group. With 15+ years of LTC Insurance home office, agent training and field selling experience, Tom's in-depth knowledge will empower your group to expand their opportunities in the LTC Insurance field.

Group discounts are available as well as customized programs focused on your specific products. Minimum class sizes are required. Call today to reserve a date for your agency to increase their LTC Insurance results and satisfy their LTC CE requirements.

Special Note: New course material covering the Federal LTCI program, AARP's LTCI offering and a new California LTC provider cost survey.

Issue 25

November 2002

All Along the Watchtower Epilogue

“Mom! Mom! Grandma’s eating the Play Dough!”

“She’s what?”

“She’s eating the Play Dough!”

“Oh my God! Grab her hand, now!”

As our six year old daughter tried to stop Grandma from taking a second serving, my wife ran from the kitchen to the living room and forced her hand into her mother’s throat. Looking frantically around to see which of my daughters creations Grandma was feasting on, she withdrew the remains of a ballerina’s leg.

“Honey, what color was the ballerina’s tutu?”

“Yellow . . . but she didn’t eat that. It’s right here on the floor.”

“OK. What about her hair?”

“It’s red and it’s on the table.”

As my wife slowly assured herself that she’d retrieved all of the ballerina’s body parts, her father stood up from the dining room table and proceeded, in his socks and shirt sleeves, to walk out into a snow storm.

“Mom, Grandpa’s going outside!”

“Oh, Jeez. Honey, watch Grandma and don’t let her move.”

My wife then ran over to her father and grabbed his arm to redirect his random walk. As she led him gently back to the dining room, he suddenly stopped and looked up at her with a confused, childlike stare. He winced for a moment and then his bowels let loose.

One hour later, my wife had finished cleaning him and preparing them both for the three mile trip down the road to the Alzheimer’s facility where they both live.

So much for an afternoon tea.

LTCI – The Reality

My in-laws are both covered under LTCI plans and, together, receive benefits in excess of \$8,000 per month. My mother in-law has been under benefit for over seven years and her husband less than one. By the time they both die, the insurance company will probably have paid in excess of \$500,000 on these two individuals.

This is the reality of LTCI. As much as many would like to believe that LTCI should be about funding short term recovery costs (witness the TQ/NTQ debate and the popularity of benefit restoration clauses that promote the recovery myth) the truth is that the vast majority of benefit dollars paid out under the insurance are related to the cost of long term stays that end in death.

In terms of the bulk of the dollars paid out, and therefore the premiums paid, this insurance is about funding the cost of slow death, which in turn is the consequence of dramatically extended life expectancies. Many agents, and even some home office professionals, don’t like to accept, much less focus on this. It’s too painful and makes sales more difficult. Much better to focus on first dollar coverage and the short term recovery aspects of the coverage. Unfortunately, what this does is misdirect dialogue within our industry toward changes and initiatives that wholly miss the core of the risk being insured. Thus the ongoing debate over TQ/NTQ and the failure to initiate proactive measures that go to the heart of these large costs.

continued on next page

LTCI – The Possibilities

It is my experience, both as an actuary and product developer, and as witness to the tragedy of my in-law's lives, that led me to write the three prior articles in this series. For, though my wife's estate has benefited tremendously from the LTCI benefits (she and her brothers feel nothing but gratitude for the financial salvation the insurance has given them), the tragedy of her parents lives was wholly unchanged. And why this is an issue to me is that today individuals like her parents are living productive lives during the same disease stages that first left my in-laws helpless and isolated.

Some will argue that it is not the insurance company's role to bring proactive disease management protocols into the form. It is simply a financial vehicle for deferring potentially catastrophic costs. The problem with this disposition is two fold:

1. There is no other component in the entire health care delivery and financing food chain that is in place to do this. Not once in my in-laws slow and inexorable decline was there one individual or entity that intervened to recognize, much less do anything about, their decline. Witness that over 70% of Alzheimer's patients go undiagnosed during the earliest and most treatable stages of the disease. My wife and her brothers, like most families, felt helpless in the face of their parent's disease.
2. No one else has more to gain than insurers. As my own family's example illustrates, there are large dollars at stake here. Yet, in the absence of insurance the only others affected are individual families or Medicaid. Since nearly all families don't know until it's too late and can't act in concert anyway and Medicaid is too distracted with a short term funding crisis, that leaves the insurers.

As long term cognitive and neurological claim dollars begin to pile up, some insurers are starting to recognize the need to look at these issues. A whole sale paradigm shift will be required in order for them to do something in the vein I describe. Let's hope, for the betterment of the product, and for the elevation of individual outcomes, that they and we are up to it.

SITS "NEW" CTQ 2003 LTC INSURANCE 8-HOUR CORRESPONDENCE COURSES

SITS has created two 8-hour CTQ Long-Term Care correspondence courses.

The first course is CA Long-Term Care Insurance for the Advanced/CTQ 2003. As highlighted in the cover article, this course is fully updated to reflect the major changes that have taken place in Long-Term Care Insurance statute in California (i.e. Sunsetting of SB 527-TQ vs NTQ; Sunsetting of SB 1537-Mandatory Exchange; implementation of SB 898-Rate Stabilization). Also included in an extensive Long-Term Care cost survey, HIAA's LTCI Buyers/Nonbuyers survey and over 70 author/special notes to help students better understand the issues and how it applies to Long-Term Care Insurance Sales. **This course retails for \$58.75.**

The second course is for those of you who have expressed that you are in need of something more affordable. Currently, most of the material available meets this requirement and is written by individuals who have never sold Long-Term Care Insurance and/or come from the industry. SITS has completed a course that simply reviews the basics of Long-Term Care Insurance as it complies to the state requirements. It meets the current 8-hour Long-Term Care Insurance/CTQ outline minus the 70 Author Notes, cost survey, Federal & AARP LTCI comparisons and HIAA's Buyer/Nonbuyer Survey. It has been created with simplicity in mind. **This course retails for \$35.00.**

Seminar Calendar 2002 & 2003



CALIFORNIA LONG-TERM CARE (CTQ-CALIFORNIA TAX-QUALIFIED) - COURSE #83363

	November		December		January		February
1	Novato	3	Pasadena	3	Novato	4	Pasadena
5	Costa Mesa	4	Novato	3	Costa Mesa	4	Novato
6	Sacramento	5	Fresno	8	San Bernardino	5	Oxnard
7	San Bernardino	6	San Francisco	9	Fresno	6	Fresno
12	Fresno	10	Ontario	14	Woodland Hills	6	San Jose
12	San Jose	10	Sacramento	15	San Francisco	7	Ontario
14	San Francisco	13	San Jose	17	San Jose	11	Sacramento
15	Woodland Hills	17	Woodland Hills	22	Sacramento	19	Costa Mesa
20	Walnut Creek	17	Walnut Creek	22	Torrance	21	San Francisco
20	Torrance	18	Costa Mesa	29	Walnut Creek	25	Woodland Hills
						27	Walnut Creek

All Long-Term Care class attendees will receive a free "California Department of Insurance Long-Term Care Insurance Company Rate & History Guide" - New 2002/2003 Version



CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE - COURSE #85943

	November		December		January		February
7	Novato	5	Pasadena	7	Costa Mesa	6	Pasadena
8	Costa Mesa	6	Fresno	9	Novato	7	Fresno
8	Sacramento	11	Novato	10	Fresno	7	Oxnard
13	Fresno	12	Ontario	10	San Bernardino	11	Novato
15	San Bernardino	12	Sacramento	16	Woodland Hills	11	Ontario
19	San Jose	17	San Jose	23	San Francisco	19	Sacramento
21	San Francisco	18	Walnut Creek	24	Sacramento	20	Costa Mesa
21	Woodland Hills	19	Woodland Hills	28	San Jose	26	San Jose
22	Walnut Creek	20	San Francisco	29	Torrance	27	Woodland Hills
22	Torrance	20	Costa Mesa	31	Walnut Creek	28	San Francisco
						28	Walnut Creek

All Partnership Class attendees will receive a free "California Department of Insurance Consumer Guide" - New 2002/2003 Version

Minimum of 10 paid enrollees are required to hold a class

All courses 8:30am - 4:30pm

Long-Term Care & Partnership courses cost \$85 each, sign-up for both and save \$20!

Long-Term Care Correspondence cost is \$58.75

8 Hours of CE credit per course

MORE THAN JUST CE. IT'S INFORMATION YOU CAN USE.

Legislative Update

In Brief...

FEDERAL LEGISLATION

HR 4946—This bill was introduced by J.D. Hayworth of Arizona in June 2002: It would amend the Internal Revenue Code to permit a deduction for eligible LTC premiums for a taxpayer, their spouse, or dependents and sets the allowable deduction amounts. There is no deduction allowed if the employer pays 50% or more of the cost. There is no requirement to itemize to receive this deduction. This bill also allows an additional personal exemption for each spouse or dependent with LTC needs living in the taxpayer's home. This bill was referred to the Senate Committee on Finance in July 2002.

S 2199—Introduced by Larry Craig of Idaho in April 2002, this bill would amend Title XIX of the Social Security Act to permit additional states to enter into long-term care partnerships under the Medicaid Program in order to promote the use of long-term care insurance. As of April 2002, this bill is still in the Senate Committee on Finance.

Fiscal Year 2003 Budget—According to the HIAA Reporter (June/July 2002), President Bush has set aside \$24 billion for long-term care tax relief. According to a recent AARP Federal Budget Update, the budget proposes to help those with long-term care needs; by providing 1) an above the line tax deduction for long term care insurance premiums; and 2) an additional personal exemption to home care takers of certain family members.

CALIFORNIA LEGISLATION

SB 1613—This bill, introduced by Joseph Dunn in February 2002, is a technical cleanup measure (to SB 898 - Chapter 812, Statutes of 2002), that makes it clear that insurers may continue to file their group and individual long-term care forms with the Department of Insurance (DOI) after January 1, 2003. This will allow the DOI to continue to regulate these policies and their representations to the public after this date. This bill was sent to the Governor on August 31, 2002.

AB 2517—This bill was introduced by Wilma Chan in February 2002. It defines 'estate planning services' and 'financial products.' Long-term care insurance is included in the definition of financial products. The bill also sets marketing and disclosure standards for these services and products. Finally, it sets substantial penalties for violating the standards. The author's intent is to curtail and eliminate the unlawful, deceptive and unfair practices associated with 'living trust mills' and estate planning services. This bill was referred to the Assembly Judiciary Committee on March 7, 2002. We understand from the author's office that this bill will not be pursued.

AB 1908—This bill was introduced by Ms. Rebecca Colm in February 2002. Current law requires public employees to pay the full cost of premiums for the CalPERS long-term care program. This bill eliminates that requirement and was sent to the Governor on August 27, 2002.

CA Partnership Marketing Material Now Available

All students attending Senior Insurance Training Services Partnership courses starting in November 2002 will receive copies of the Partnership's new marketing material.

The first of these brochures, titled "Making Choices Today to Secure Tomorrow" addresses key Long-Term Care issues for seniors. The second brochure, titled "The Balancing Act" was developed with the adult child in mind. It was designed to help them understand the Long-Term Care issues their parents are facing, as well as to get the adult child to think about this issue for themselves. Both brochures include up-to-date Long-Term Care facts and statistics, and lead the reader to take action in addressing their Long-Term Care needs. You can purchase additional copies by calling the California Partnership office at (916) 323-4253 or through the California Partnership website www.DHS.CA.GOV/CPLTC.

Senior Insurance Training Services Offers:

CLTC Master Class – 2003 Schedule

University of Phoenix
370 N. Wiget Lane #100
Walnut Creek, CA 94598
February 10 & 11

National University
3390 Harbor Blvd.
Costa Mesa, CA 92626
February 27 & 28

CLTC: Industry's premier professional designation dedicated to the Long Term Care market
Offered by: Corporation for Long-Term Care Certification
Endorsed by: College for Financial Planning Major Insurance Carriers
The Master Class: **2-day pre-certification class preparing you for the CLTC exam, conducted by Tom Orr**

- ◆ Proven sales & marketing ideas
- ◆ Comprehensive training on LTC issues
- ◆ Multi-disciplinary approach, linking LTC to financial planing, tax law, elder law, other services

Cost of Master Class: \$920.00, for Met Life & Prudential agents, \$995 for all others (includes all course materials and exam fee).

How to register or get more information? Visit the CLTC website: www.ltc-cltc.com or call (877) 771-2582

Why should I get my CLTC designation? CLTC graduates praise the CLTC Program for giving them the knowledge and confidence needed to be successful in the LTC insurance market and with effectively meeting their clients' needs. As a CLTC graduate, you are entitled to ongoing valuable benefits, including regular legislative and industry updates and newsletters.

How do I get the CLTC designation? After completing the Master Class or self-study materials, you schedule an examination with a local Prometric office. (Formerly Sylvan Learning Center.) Upon passing the 100-question exam (70% is required), you will receive the CLTC designation.

How many CE credits will I get? CE credits will vary between 12 and 28 hours, depending on your state.

Who has participated in the CLTC Program to date? Over 4500 financial and insurance professionals have participated since the launch of the Program in July 1999.

What does it cost? Normally the cost of the Master Class is \$1195 and the cost of the self-study course is \$870. Your special rate is \$920 for the Master Class and \$770 for the self-study course materials. You may pay in 4 monthly installments on your credit card.

What if I cannot attend this Master Class? You should consider the self-study program or call CLTC to put your name on the waiting list for the next Master Class to be held in your area.



Fresno Association of Insurance and Financial advisors

Long-Term Care Course

Friday, January 17, 2003 - 9:00 a.m. to 4:30 p.m.

TorNino's Restaurant - 5080 N. Blackstone - Fresno, CA 93710

Tom Orr of Senior Insurance Training Services, LTC Industry Expert, will conduct this Long Term Care Class. This course satisfies the 8-hours of continuing education credit required to sell Long-Term Care Insurance in the state of California.

MUST PRE-REGISTER BY JANUARY 8, 2002

NO WALK-INS – MUST PRE-PAY WITH REGISTRATION

Members-\$75

Non-members-\$90

(includes lunch)

Call Vince Mastro 559-222-7493 X120 to register



Senior Insurance Training Services

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Inside:

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John Hancock



All Agents/Brokers selling Long-Term Care Insurance

BSI Insurance Services, Inc., John Hancock and Senior Insurance Training Services are co-sponsoring three 8-hour California Partnership/Continuing Education classes taught by Tom Orr in the following locations from 8:30am – 4:30pm.

DECEMBER 3rd
Emeryville, CA

DECEMBER 4th
Fresno, CA

DECEMBER 5th
Sacramento, CA

- Become certified to sell the California Partnership Product
- Earn 8-hours of California CE credits (automatically reported to the Dept. of Ins.)
- Special lunch guest, Scott Williams of John Hancock will present an overview of the John Hancock Long-Term Care Insurance Products
- Receive a complimentary copy of:
 - California Department of Insurance Rate Guide 2002/2003
 - “What you need to know now about Long-Term Care”, a point of sale video from the California Partnership
- BSI agents who submit a John Hancock LTC app in December 2002 and place it, will receive a full refund of the seminar fee**
- If you would like to become appointed with John Hancock through BSI Insurance Services, Inc., please call 1-800-972-1474.**
- \$85 per person pre-paid**, includes lunch, sponsored by BSI. Minimum of 25 paid attendees are required to hold each class.
- Visa, MasterCard and Discover are accepted or Make checks payable to S.I.T.S. and mail to 670 W. Napa St., #M, Sonoma, CA 95476**

NO WALK-INS WILL BE ACCEPTED
MUST PRE-REGISTER AND PRE-PAY BY NOVEMBER 22, 2002

TO REGISTER, COMPLETE THE REGISTRATION FORM ON PAGE 5 AND FAX TO S.I.T.S. AT 707/939-9599
IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SITS AT 1-800-460-7487.

72-Hour Cancellation Notice Required for Refund - Non-Cancellation is Forfeiture of Tuition

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