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Providing you with:

- Top Rated companies
- Multi-life DI & LTC
- Case Design
- Proposals within 24 hours
- Advanced Sales Ideas
- Competitive Analysis
- Superior Support

Managing Partners of

THE PLUS GROUP
America's Premier Disability Marketing and LTC Organization

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2009 Plus Group / Pacific Advisors Webinar Schedule

All webinars will be at 11:00am PST. Save the dates and contact Kelsie at 877.455.9580 to register 1-2 weeks prior.

Date	Topic	Presented by
1/21/09	Guaranteed Renewable DI vs. Non-Cancelable DI	The Standard
2/25/09	Guaranteed Issue and Reverse Combos	MetLife DI
3/18/09	Medical Market DI	The Plus Group
4/15/09	LTC - Getting Clients to Understand the Real Cost of Self Insuring	John Hancock
5/20/09	Buy / Sell and BOE	Principal Life
6/17/09	Different Definitions of Total Disability	The Plus Group
7/15/09	Key Person DI	Petersen's
8/19/09	Unique Challenges in the DI Marketplace / Special Risk	The Plus Group
9/16/09	DI Buy Out - Business Valuation	Principal and MetLife
10/21/09	DI Underwriting - Making it Simple	The Plus Group
11/18/09	Impaired Risk	Assurity Life

January 2009

Volume 9 Issue 1

Brokerage News

PACIFIC ADVISORS

Home-Based Workers Eligible for DI

A growing number of workers conduct legitimate business from their residences. Individuals whose occupations do not require them to leave home for a substantial amount of work time may be eligible for an individual DI insurance policy. Following are guidelines provided by major carriers:

Standard -
- 30% or more work time in home - limited benefit periods and waiting periods
- 70% or less work time in home - all riders and benefit periods available

Principal -
- 100% or less work time in home - all riders available
- Minimum waiting period is 90 days; all benefit periods available

Union Central -
- 50% or less work time in home - all benefit periods, waiting periods and riders available

MetLife -
- 80% or less work time in home - all benefit periods, waiting periods and riders available

All carriers will require the following for home-based workers -
- Two years of financial documentation
- Coverage/restrictions depending upon whether the worker is self-employed or a contractor, and how long he/she has worked from home
- Overhead Expense insurance coverage is not available due to problems separating residence and business expenses for claim administration

News You Can Use

- DI Day Seattle will be on May 1, 2009, at the Lynnwood Convention Center. Reserve your seat today by contacting Kelsie Van Tine at (877) 455-9580.
- BOE limits have been raised to $50,000. Call for details.
- Pacific Advisors proudly provided the following organizations with financial and volunteer support in 2008:
  - Boys & Girls Club
  - Medic One Foundation
  - Help-A-Life Foundation
  - Seattle Children's Hospital
- Washington has issued new LTCi training requirements. Agents licensed prior to 1/1/09 must complete initial 8-hour training by 7/1/09. New agents must complete 8-hour training before selling LTCi. Call us for more details.

Inside this issue:

If there are specific topics you'd like to see covered in future newsletters, please contact:
Kelsie Van Tine
at kelsie@pacificadvisors.net

*Visit Our Web Site at **www.pacificadvisors.net***

Federal Tax Incentives for LTCi

The 1996 Health Insurance Portability and Accountability Act (HIPAA) provides favorable tax treatment of premiums and benefits for qualified LTCi policies. The law allows taxpayers to deduct certain LTCi premiums and unreimbursed LTC expenses paid on behalf of themselves or their dependents. It also provides that employer-sponsored LTCi plans qualify for the same favorable tax treatment as health plans.

The federal tax incentives are as follows:

1. Employer premium contributions for qualified LTCi are excludable from employee income, except for contributions under a cafeteria plan or flexible spending account/arrangement. Employers may deduct their qualified premium contributions as trade or business expenses.
2. Self-employed individuals may deduct qualified LTCi premiums as health insurance expenses, under special rules with specified maximum caps.
3. Tax-free distributions from medical and health savings accounts may be used to pay qualified LTCi premiums up to specified maximum caps.
4. Qualified LTCi premiums not covered by provisions 1-3 are deductible from income, as itemized medical expenses, to the extent that such expenses exceed 7.5 percent of adjusted gross income, with specified maximum caps. The maximum caps for the annual amount of qualified LTCi premium eligible for the tax favored treatment in provisions 2-4 are indexed for inflation and increase with attained age, currently ranging from $320 for policyholders up to age 40 to $3,980 for policyholders beyond age 70 (see chart below).

IRS Maximum Federal Income Tax Deductible Amounts for 2009

Age	Maximum Deductible Limit Per-Individual
Under Age 40	$320
41-50	$600
51-60	$1,190
61-70	$3,180
Over 70	$3,980

Internal Revenue Code 7702B(d)(4) states that for calendar year 2009, the per diem limitations regarding periodic payments received under a qualified LTCi contract is $280. Amounts over the $280 daily limit could be taxed *unless* used for qualified LTC services. For example, if you received home care and it totaled $300 per day and your benefits paid $300 per day ($9,000 Monthly Benefit), you would be over the $280 per diem limitation by $20 (or $600 per month), but because the surplus is paying for qualified LTC services, it would *not* be taxed. However, if your home care totaled $280 per day and your benefits paid $300 per day ($9,000 Monthly Benefit), there is a possibility that the additional $20 (or $600 per month) could be taxed.

Based on the current economic environment (investors having less liquidity, lower stock values etc), now is a good time to approach clients about Long-Term Care. In the 4th quarter of 2008, Pacific Advisors participated in the implementation of 10 new multi-life Long-Term Care cases. Financial contribution from the employer ranged from minimal to the entire cost. Please call us to discuss potential opportunities.

What's the Score?

The score in a sporting event will tell you what is going on and who is winning. Knowing the score of your heart can tell you what is going on with this vital organ. Coronary artery disease has a new paradigm in which it is felt that coronary atherosclerosis is an inflammatory process, mediated not only by cholesterol, smoking and other traditional risk factors, but also by various types of inflammatory processes. This inflammation will lead to calcium deposition within the atherosclerotic plaques, and this calcium deposition will show up on various scans, which gives you a calcium score. As in golf, the lower, the better.

With the advent of technically advanced CT scanners, and use of computer software programs, researchers found that the calcium deposition within our coronary artery plaques could be measured and quantified quite easily. In the past this was referred to the EBCT calcium score. It is now referred to as the calcium score. These machines are now widely used, and can accurately measure the calcium score for an individual in a matter of minutes. This calcium score can then be compared to the calcium scores of other same-aged individuals to see whether an individual has less, equal, or more calcium deposition. The basic premise behind this is that the calcium score is a reflection of the plaque burden within the coronary arteries. Carrying this thought one step further, the plaque burden reflects the extent of arteriosclerosis and the risk of a coronary event such as a myocardial infarction. These EBCT scans are fast, accurate, safe and relatively inexpensive. It does allow a person and their doctor to see if they are at average or increased risk of a cardiac event.

Values for the calcium score are usually reflected in terms of a percentile. If your calcium score puts you in the 50th percentile, you are at average risk. If you are the 10th percentile, you are better than 90% of people your age, and conversely if you are in the 90th percentile, you are in the worst 10% of individuals. Anyone with a relatively high percentile should probably have follow up testing, such as an exercise tolerance test to see if any of these coronary plaques could be causing significant obstruction of the coronary arteries. Remember, almost one-half of all heart attacks are caused by lesions that are considered to be non-obstructive, defined as less than 70% blockage of a coronary artery. Also, if one is above the 50th percentile, that person and their doctor should consider more aggressive risk factor modifications, such as the use of a statin medication to lower their cholesterol.

Underwriters are seeing calcium scores being performed on many individuals applying for life and disability insurance. The underwriter will use a table to determine whether this person is at increased risk. Whether any adverse action is taken will depend upon what type of follow-up testing was done, and what risk factor modification was being undertaken by the individual. If your client has had an elevated calcium score, it is important to include all follow-up information on the application. Also remember that the calcium score is not perfect, and even with a score of zero, a person could still have coronary plaques that are not calcified but still capable of causing problems.

Lastly, these scores are a good way to monitor how well risk factor modification is going. If you had a calcium score of 75, and you were then placed on cholesterol medication, if the score stayed at 75 several years later, that would be proof that the statin drug is working to halt or slow down the process of coronary atherosclerosis. While there still exists some controversy with calcium scores in the field of clinical cardiology, from the underwriting standpoint the calcium scores are quite helpful.