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News You Can Use

- Beginning October 1, Jaymie Mayers at Pacific Advisors will be replacing Kelsie Van Tine as our full time Marketing Manager.
- The Standard recently increased Participation Limits for Occupation Classes 5A, 4A, 4P, 3A, 3P, 3P Surgeons and 2P. These changes apply to Protector Platinum, Protector+ and Protector Essential DI products.
- Transamerica launched a new LTC product on September 10, 2013, called TransCare III. TransCare III replaces TransCare II in the states where it has launched. These states include: AL, AK, CO, GA, ID, IL, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NE, NH, NM, OH, OK, OR, PA, RI, SC, TN, TX, UT, VT, VA, WA, WV, WI and WY.
- November is Long-Term Care Awareness Month. We will be sending weekly email blasts with helpful resources all month long. If you are not on our email list and wish to be, contact Jaymie at 877.455.9580.
- Mutual of Omaha introduced a new product portfolio called MutualCare Solutions in September, 2013. Features include revised compensation, gender-distinct rates and improved benefit definitions. MutualCare Solutions is currently available in the following states: AL, AK, CO, GA, ID, IL, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NE, NH, NM, NC, OH, OK, OR, PA, RI, SC, TN, TX, UT, VT, VA, WA, WV, WI and WY. For additional details, visit the News section of our homepage.

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Brokerage News

Changes in the LTC Marketplace

November is LTC Awareness Month and what better way to demonstrate to your clients that you care about their future than by initiating a conversation about long-term care? Survey after survey reminds us that consumers look to you, the professional, to help them navigate, analyze and explore insurance and financial tools, including long-term care. It is our responsibility to address this protection just as we address life insurance, health insurance or disability insurance. People purchase life, health and disability insurance for the same reason: *they love someone*. Long-term care coverage is no different.

Over the past six months, there have been many changes in the LTC space. One of the most significant changes is within the actuarial pricing model for new applicants and the shift to gender-specific rates. Extensive claims experience has continued to show that, in addition to living longer, women use LTC benefits at a higher rate than men. As a result, four of the major carriers have changed their pricing models. The LTC pricing for these carriers is no longer based on unisex rates, but now mirrors that of disability income, where females are more expensive than their male counterparts. This change, while more costly for females, should theoretically provide greater stability in the LTC space. In spite of the gender-specific changes, if a single female, age 50, N/S were looking at an LTC policy which covered \$5,000/month (or \$60,000/year), 90 day elimination period, 4 year benefit period and 3% compound inflation, the annual premium range is from \$1,673/year to \$3,483/year. At first glance you may think that premium is high. However, if you calculate the potential annual LTC benefits of \$60,000 (prior to inflation), one may still experience a good return on their investment. Beginning in November, challenge yourself to review 4-5 clients with whom you discussed LTC, but who did not purchase. This time, instead of suggesting \$5,000/month of benefit, why not start with a monthly benefit of \$3,000? This benefit amount is not suggested to cover the entire cost of care, but rather hedge against some of the LTC risk.

We would all like to believe our family and friends will take care of us when we are in need of care. The reality is that family and friends have their own jobs, families and financial commitments, and caring for a loved one would require incredible sacrifice – whether emotionally, physically or financially. Purchasing a long-term care policy gives the insured and his or her family members a choice in care as well as a family's well-being.

Look for our weekly emails containing articles, sales ideas, and videos to support your LTC efforts in November.

Inside this issue:

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If there are specific topics you'd like to see covered in future newsletters, please contact:

*Kelsie Van Tine
 at kelsie@pacificadvisors.net*

Met Introduces Industry Leading Simplified Underwriting Program

MetLife recently announced changes to their Simplified Underwriting Program (SUP) coverage limits which are now industry leading amounts. They will issue up to \$6,500 for individual (IDI) coverage and up to \$10,000 for Business Overhead Expense (BOE) coverage.

The Simplified Underwriting Program makes it easier for clients to obtain the income protection they need by requiring no additional medical or financial documentation. All they need to do is complete a full application and a telephone interview depending on age and benefit amount. Below are the program details. Imagine, your clients can obtain up to \$78,000 for IDI and \$120,000 for BOE with no medicals or financials!

Overall Requirements for Simplified Underwriting Program

- Issue ages 18-50
- At least \$30,000 of annual income
- Occupation classes 2A or above

Additional Requirements	For Individual Products	For Business Overhead Expense
	<ul style="list-style-type: none"> • Available for: <ul style="list-style-type: none"> <input type="checkbox"/> MetLife Income Guard^{SM1} <input type="checkbox"/> OMNI Advantage <input type="checkbox"/> OMNI Essential <input type="checkbox"/> OMNI Select • Elimination Period of 90 days or more • All riders except Guaranteed Increase Benefit and Lifetime Benefit. With MetLife Income Guard: the Automatic Increase Benefit and Life Event Rider can be added but not together • Any maximum Benefit Period except to age 70 	<ul style="list-style-type: none"> • Elimination Period of 90 days or more • Maximum Benefit Period of up to 12 months
Maximum Benefits up to age 50²	Up to \$3,000	Up to \$7,500
How to apply	Old: Application and PHI New: Application and Prescription History Database Inquiry	Old: Application and PHI New: Application and Prescription History Database Inquiry
Maximum Benefits up to age 45²	NEW! Up to \$6,500	NEW! Up to \$10,000
How to apply	Application, PHI and Prescription History Database Inquiry	Application, PHI and Prescription History Database Inquiry
Issue and participation limits	With Other IDI Coverage: Cannot exceed maximum benefit amount from all sources With Group LTD: Cannot exceed \$6,500 over the LTD amount	From All Sources: Cannot exceed the maximum benefit amount of \$10,000

¹ MetLife Income Guard is not available in all states. OMNI Advantage and Select are only available in the states where MetLife Income Guard is not yet approved. OMNI Select is only available through an approved MultiLife case.

² The maximum benefit amounts are as follows: Up to age 50, up to \$3,000/month. Up to age 45, up to \$6,500/month. If you own, or have applied for additional DI coverage, the maximum benefit will be limited to either \$3,000 or \$6,500 based on age. If other coverage is Group Long-Term Disability (LTD), the maximum benefit amount is either \$3,000 or \$6,500/month over the LTD amounts based on age.

2013 Report on Financial Preparedness of U.S. Physicians

The American Medical Association Insurance conducted a survey of approximately 2,365 physicians earlier this year to learn more about the prevailing attitudes and behaviors of physicians in relation to their financial preparedness for the future. Physicians reported gaps in personal financial knowledge and lack of confidence in making financial decision related to retirement savings, life and disability insurance and estate planning.

Following are some of the key findings related to income protection:

- Slightly more than three quarters (77%) of respondents believe disability insurance is essential and the majority (74%) of them have a policy.
- Most physicians (86%) purchased a disability insurance policy early in their career or shortly after starting in practice.
- 42% of respondents haven't reviewed their disability insurance coverage policy within the past 5 years or since they purchased it. This includes nearly 60% of physicians who bought their policy more than 10 years ago. As a result, physicians report that overall do not feel confident they are carrying the "right" amount of disability protection for their current need.
- 50% do not know if their group LTD benefit would be taxable.
- 60% of physicians have known a doctor who has suffered a disabling accident or injury.
- Most respondents believe their policy offers "own-specialty" protection, although 20% are not sure.
- Nearly 40% of doctors under the age of 50 do not feel adequately prepared if they were to suffer an injury or illness that prevents them from working.
- Over 70% are somewhat or very concerned about not having the appropriate amount of income protection coverage.

These findings suggest physicians need quite a bit of financial planning assistance. This fact combined with recent increases to Issue & Participation limits and association discounts create a lot of opportunities to assist MDs in finding the appropriate amount of income protection.

The full report can be found via a link on our website under DI Articles and Documents in the Producer Resource Center, or on our LinkedIn page: Pacific Advisors, Your DI & LTC Resource. In addition, if you need any marketing materials to assist you with approaching or discussing Disability Income insurance with physicians, contact Pacific Advisors at 877.455.9580 today.