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News You Can Use

- Catherine Chin joined the Pacific Advisors team as a New Business Coordinator in October. Contact her at 877.455.9580 or CatherineC@pacificadvisors.net to assist you with you quotes, case management and licensing.
- Throughout 2013 Pacific Advisors proudly supported organizations with donations and monetary gifts. Those organizations include the Ben Towne Foundation, The Ronald McDonald House, Food Lifeline and Highline Food Bank.
- Our website is full of helpful information and tools for you to use. You can find important Disability and Long-Term Care Insurance industry information as well as upcoming events and webinars that you may want to attend. You can also view case status, download applications and request quotes from our website. Visit us at **www.pacificadvisors.net** to see what we can do for you.
- We wish you a great holiday season and a happy new year! We appreciate your business and look forward to working with you in 2014.

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First Quarter 2014

Volume 15 Issue 1

Brokerage News



2013 Year in Review

It has been a very busy year and there have been a lot of changes and updates to carrier products. To help you keep track of it all, this newsletter is dedicated to providing you with the Disability and Long-Term Care Insurance industry news highlights from 2013.

March:

- The Standard introduced Protector Essential, the newest member to The Protector Series family of products. Protector Essential policies include:
 - Guaranteed Renewable chassis
 - Regular Occupation coverage to the maximum benefit period for all occupation classes
 - No limitation on coverage for mental disorders and/or substance abuse
 - Up to 36 months of Rehabilitation Benefit
 - Residual Disability Benefit when there is at least a 20% loss of earnings due to reduced duties, time or effectiveness, payable for up to the maximum benefit period
 - Up to six month lump-sum Recovery Benefit
 - Optional 3% or 6% Indexed Cost of Living Rider and Catastrophic Disability Benefit Rider
 - Future Purchase Option

- John Hancock moved to gender-distinct rates on its new individual Long-Term Care insurance policies. This change in rates reflects the male and female differences in the probability of benefit usage. On average, females live longer and are more likely to use their policy.

- The Standard's Protector Platinum product became available for sale in New York.

April:

- DInamic Fundamental from Ameritas became available in New York. This Disability Income product offers simple, affordable and attainable coverage for middle income earners, self-employed workers and dual income families. *(April continued on page 2)*

Inside this issue:

Year in Review	1 - 3
News You Can Use	4

If there are specific topics you'd like to see covered in future newsletters, please contact:
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2013 Year in Review

- Genworth introduced a new Long-Term Care insurance product, Privileged Choice Flex 2. With the launch of Privileged Choice Flex 2, all products will require Paramed Exams/Labs for all applicants. Key attributes for the new product include:

- 4% Compound Inflation Protection
- No 7-Year Enhanced Survivorship Option
- Reduced Maximum Issue Age from 79 to 75
- Pricing based on age, health and gender
- Required Formal Care Provider for reimbursement of Home Health or Personal Care Services; Independent providers may provide formal care

May:

- MetLife launched Income Guard, a new DI product. Income Guard features Specialty Own Occupation definition for physicians and dentists, 7 new riders, improved rates for regular occupation classes and Issue Age to AGE 70.

- Genworth released the 10th annual Cost of Care Survey for 2013. The cost of Long-Term Care continues to escalate but some states at a higher rate than others. To view the entire 2013 Cost of Care Survey, visit the News section of our website and find it posted on May 13, 2013.

- John Hancock launched its LTC Captivate web-based selling system. This new sales platform is currently available for use. It features a more efficient, streamlined process, the ability to manage and track clients throughout the sales cycle, and the flexibility to adapt the system to your personal style and individual client needs.

- Principal announced an additional IDI discount for select 5A-Select occupations. Clients in 5A-S occupations who are members of a professional association are eligible for up to 20% in discounts when purchasing a variety of Principal Life Individual Disability Insurance products on a single-life basis. Occupations include Actuary, Architect, Astronomer*, Auditor*, Attorney (except members of the Chicago Bar Association), Biochemist*, Biologist*, Botanist*, Chemist*, CPA, Engineer, Executive (earning over \$200,000 for last two years), Geologist*, Judge, Meteorologist*, Optometrist*, Physicist*, Professor* and Sociologist*.

*These occupations must hold a PhD and perform office and/or lab duties.

June:

- MetLife announced occupation upgrades for select physicians. The following physicians are now included in the 6M underwriting occupation class resulting in an estimated 20-25% premium reduction: Allergist, Family Practice, General Medicine, Gastroenterologist, Gerontologist, Hematologist, Internal Medicine, Neonatologist, Nephrologist, Pulmonologist and Rheumatologist.

July:

- The Standard announced increased participation limits. Participation limits for Occupation classes 5A, 4A, 4P, 3A, 3P and 3P Surgeons were increased to \$25,000 for the Protector Platinum, Protector+ and Protector Essential DI products. The issue limits did not change and Occupation Classes 2A, A and B were unaffected.

2013 Year in Review

September:

- MetLife Simplified Underwriting led the Industry in Coverage Amounts. MetLife's Simplified Underwriting Program (SUP) offers higher benefits amounts, fewer requirements and a shortened application process. MetLife was leading the industry in coverage amount with issue up to \$6,500 for individual DI coverage and up to \$10,000 for Business Overhead Expense coverage.

- Mutual of Omaha introduced a new LTC portfolio called MutualCare Solutions. This portfolio contains two products, MutualCare Secure Solution and MutualCare Custom Solution. With the introduction of this portfolio:

- Gender-distinct rates were implemented and female rates increased
- Benefit definitions were improved to include a new definition of couples that includes partner
- Issue ages are now 30-79

- Transamerica introduced TransCare III LTC product. With the introduction of this new product:

- Couples Discount increased and became available to couples even when they select different benefits
- Gender-Based Pricing now reflects the higher claim rates for females across the industry
- Elimination Period Credit Rider now applies Home Care and Adult Day Care Benefit days toward the elimination period
- Waiver of Premium Rider for Home Care and Adult Day care continues to waive premiums after policy holder transfers to a Long-Term Care facility and is satisfying the elimination period
- There is a 3-Year Rate Guarantee
- Tailored Benefit Increase Option Rider provides another competitively priced option for inflation protection:

- Compounds Maximum Daily Benefit and Policy Maximum by 5 percent on each anniversary prior to age 61, by 3 percent from age 61 to 75, and goes to zero after age 75

November:

- Principal increased Simplified Underwriting issue limits for Individual DI to \$4,000 a month for single-life and \$6,000 a month for multi-life.

- Ameritas DInamic Foundation was made available in California for Individual DI and Business Overhead Expense.

- MetLife upgraded or expanded additional occupations classes. Eleven occupations qualify for occupation class upgrades (some of which were upgraded to a higher class with the potential for lower premiums) while others have expanded definitions of who qualifies for coverage. These occupations include: Appraiser, Auditor, Buyer, Dental Lab Owner, Designer, Dietician, Fund Raiser/Public Relations Manager, Landscape Architect, and Nurse Practitioners (Office and Hospital). MetLife also identified emerging occupations that may have great needs for disability insurance based on their rapid growth rates and income levels.