PACIFIC ADVISORS
Seattle Office:
1702 North 34th Street
Seattle, WA 98103
Phone: 206.633.2922
Fax: 206.633.0185

St. Louis Office:
230 South Bemiston Ave.
Suite 1425
St. Louis, MO 63105
Phone: 314.678.2576
Fax: 314.721.1047

Toll Free Phone: 877.455.9580
Toll Free Fax: 800.342.5053

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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Where to Look for GSI Cases *continued*

(continued from page 1)

- Architecture/Engineering: As with law firms and CPA firms, partners often need more income protection than traditional group DI provides.
- Marketing/Consulting: These firms often have full-time associates who are 1099 rather than W-2 employees. Group LTD can't handle 1099 contractors. GSI plans can.
- Wholesale/Retail: This broad category can be a great place to look for GSI prospects, because not as many advisors think to call on these businesses for supplemental DI plans. You can find a lot of management and executive teams here who need more income protection.
- Nonprofit: We're always cautious with nonprofit entities, but where there is stable funding and good longevity, these can be good sources of business.

Plans were also written on banks, appraisal firms, schools and universities, transportation companies, municipalities, utility companies, food service businesses, environmental firms, and more. Keep an eye out for any businesses that have at least five key employees, because they can be potential GSI cases for you!

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Volume 9 Issue 3

Brokerage News

PACIFIC ADVISORS

Where to Look for GSI Cases

A frequent question we get regarding Guaranteed Standard Issue is, "Where is the best place to look for a case?"

Short answer: Look to your own clients. Almost any business that has at least five key employees could be a candidate for a Guaranteed Issue Disability Income offer.

Long answer: Take a look at which types of businesses we wrote most frequently in 2008. Following are the top industry types among a year's worth of GSI sales:

- Law Firms: Even the richest Group LTD plans usually fall short of adequately protecting the partner's income.
- High-Tech: Individual DI's portability appeals to this younger, mobile demographic.
- Health Care: Physicians are always looking for quality Disability coverage.
- Manufacturing: Perfect for carving out the white-collar class.
- Accounting: No one appreciates a tax-advantaged plan design like a CPA.

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News You Can Use

- **DI Day Spokane is on September 18, 2009**, at the Spokane Convention Center. WA and ID agents will obtain 4 CE and CFP (if applicable) credits! Reserve your seat today by contacting Kelsie Van Tine at (877) 455-9580 or kelsie@pacificadvisors.net.
- Because many of the **LTC applications** have changed or been updated, purge all apps that are hanging around your office. Current LTC applications can be downloaded from our website at www.pacificadvisors.net.
- **Who should self-insure the LTC risk?** Please visit this link for a valuable perspective: http://www.washingtonpost.com/wp-dyn/content/article/2009/05/09/AR2009050900034.html

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***

John Hancock DRA Partnership Q&A

Many brokers have questions regarding the introduction of the NAIC or Partnership 8 hour LTC Continuing Education training, as well as what defines partnership programs and how they work. While all states* are not approved, the Q&A below offers a conceptual overview of the partnership plans to assist you in determining how you might use these plans to leverage sales where appropriate. If you would like more information, please contact our office.

Q. What is a DRA Long-Term Care Partnership?
A. On February 2, 2006, Congress passed the Deficit Reduction Act of 2005 (DRA). President Bush signed this bill into law on February 8, 2006. There are several aspects to this legislation; three sections in particular affect Long-Term Care insurance (LTCi). The most notable of these promotes and allows the expansion of Long-Term Care Partnership programs.

DRA LTC Partnership programs combine private LTCi as a primary payer of Long-Term Care with Medicaid as a secondary payer when an applicant needs to apply for Medicaid. When an individual insured under a LTC Partnership policy becomes eligible for Medicaid benefits he/she may protect a portion of his/her assets above the amounts usually allowed by Medicaid. Under this program, the amount of assets that could be protected above the regular Medicaid spend-down limits is equal to the amount of benefits paid by the LTCi Partnership policy.

Q. What is Medicaid asset protection?
A. If a consumer purchases a Partnership policy and keeps such policy in force, he/she may be eligible for Medicaid asset protection. This means that a consumer is allowed to protect one dollar of their assets for every dollar a Partnership policy pays out in benefits. The total amount of asset protection is equal to the sum of all benefits paid under such a policy when they apply for Medicaid. The assets consumers are able to keep as a result of their Partnership policy are above and beyond all the regular allowances under the Medicaid program, including any assets the assets a consumer's spouse may be allowed to keep. As a reminder, while a certain portion consumer's assets may be protected, they are still required to apply their income toward the cost of care in accordance with Medicaid requirements as well as meet any other specific state Medicaid eligibility requirements. Important note: The purchase of a DRA Partnership policy does not automatically qualify the policyholder for Medicaid.

Q. Can you provide an example for the Medicaid asset protection provided under the National LTC Partnership programs?
A. Let's assume that an unmarried person without an LTCi Partnership policy applied for Medicaid to cover his/her Long-Term Care expenses. While the Medicaid rules and limits differ by marital status and state, it's not unusual for a state to require the single individual to spend their countable assets (excludes the primary residence) down to a fairly low level, such as $2,000 before Medicaid will begin to cover their Long-Term Care services.

Now suppose that same individual has a LTCi that participates in the National LTC Partnership program. Let's say that he/she has a policy that provides up to a maximum of $200,000 in benefits. The individual begins to receive Long-Term Care services and qualifies for benefits under the terms of the policy. Over time the policy pays out $200,000 in benefits for Long-Term Care services, depleting the benefit pool. Because of the dollar-for-dollar asset protection provided by the Partnership program a dollar of assets is protected from Medicaid spend down for every dollar of benefits paid from the policy. That individual could then apply for Medicaid and be allowed to keep $202,000 of his or her countable assets, $200,000 above the regular limit, because of the Partnership policy.

* The following states have enacted the partnership plans as of June 20, 2009: AL, AR, CO, FL, GA, ID, KS, MN, MO, NE, NV, JN, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA, & WI.

Non-Medical Disability/Life Insurance

Acci-Flex, offered by Assurity Life, is designed for individuals who do not qualify for traditional disability or life insurance contracts. This unique product provides both an accidental disability and death benefit on a non-med basis at an affordable rate.

Accidental Disability features:
Your clients can qualify for a monthly benefit of up to 60 percent of their gross monthly income (maximum $1,800 monthly). Benefits begin after 90 days of total disability and continue for up to two years while they are totally disabled.

Accidental Life features:
$50,000-$250,000 of protection. The face amount will only be paid to the named beneficiary if the insured dies as the result of accidental bodily injury. Premiums are guaranteed renewable to age 75.

Product Highlights:
Issue Ages: 18 through 60 (age last birthday)
Monthly Income Replacement: Lesser of $1,800 per month or 1.5 percent of death benefit face not to exceed 60% of income (40% in California). All in-force coverage will be taken into account.
DI Renewability: To age 65
DI Eligibility: Must be working 30+ hours per week in an insurable occupation
Underwriting Classes: Male, Female
Death Benefit Amounts: $50,000 to $250,000
Life Renewability: Level and guaranteed through expiry at age 75
Convertibility: The Acci-Flex Accidental Death Term Life Insurance policy is not convertible.
Payment Modes: Annual, semi-annual, monthly (automatic bank withdrawal and credit card), list bill

Exclusions (may vary by state):
Benefits are not available for claims resulting from any of the following:

- Engaging in or attempting to commit a felony
- Engaging in an illegal occupation
- Intentionally causing a self-inflicted injury
- Committing or attempting to commit suicide, whether sane or insane
- Involvement in any period of armed conflict, whether declared or not
- Using drugs or alcohol except for prescribed drugs taken as prescribed
- Piloting a non-commercial aircraft more than 150 hours annually
- "Flying for pay" an aircraft outside of established air routes in the U.S. or Canada
- Involvement in motor vehicle or boat racing, hang gliding, sky diving, mountain or rock climbing, underwater diving and pro sports
- Traveling outside of the U. S. or Canada for more than 14 days
- Operating a motor vehicle while under the influence of alcohol or drugs

The state of California prohibits an employer from owning life insurance on an insured where the employer is the beneficiary.

For additional details or for a quote please contact our office at 1-877-455-9580.