



Long Term Care Insurance Funded Family Caregiver Agreements

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Selling Long Term Care Insurance

1. See a qualified prospect
2. Educate your prospect
3. Motivate your prospect to buy NOW!

Family Caregiver Agreements
Educate & Often Motivate!

Progression of Care... & Cost

- ◆ Typical long term care scenario, now,...future
- ◆ Care begins at home
- ◆ 78% of care at home by family & friends¹
- ◆ Helen's family's care solution

**Therefore... pay the family member to
provide the care... &
Lower cost – by cutting out the provider
overhead.**

¹ Long-Term Care Support for Family Caregivers” Georgetown University Long Term Care Financing Project, March 2004.



Why a Family Caregiver Agreement?

- ◆ Bob Meister's story...
- ◆ Aunt Joan's story...
- ◆ National Alliance for Caregiving – 2004 Study

**Solve the problem with a
Family Caregiver Agreement
& ... sell LTC insurance.**



Family Caregiver Agreement

Contractual Provisions

- ◆ The parties involved – “Client” & “Caregiver(s)”
- ◆ The services to be provided (& not provided)
- ◆ Authority of Caregiver (& unauthorized actions)
- ◆ Payment: method & amount (services/expenses)
- ◆ Work schedule & accounting records
- ◆ Term of agreement, provision for termination



Important Issues to Remember with a Family Caregiver Agreement

- ◆ Applicable state laws (disclaimer: legal advice)
- ◆ Tax consequences (disclaimer: tax advice)
- ◆ Disclosure with entire family
- ◆ Notarized when between relatives
- ◆ “Arms length contract” – execute before payments
- ◆ Payment amounts can be as high as outside services
- ◆ Part of overall estate plan



Funding the FCA

- ◆ Client (care recipient)
- ◆ Other family members
- ◆ Government (C.L.A.S.S. Act)
- ◆ Long Term Care insurance

Assess the Situation....
Each Case is Unique



Tying Family Caregiver Agreement to Long Term Care Insurance

◆ Reimbursement Only Products – Lower Cost

- Caregiver training benefit
- Alternate care benefit

◆ Full Cash Products – Higher Cost

- Flexibility to pay any need
- No approval needed from insurer

◆ Cash w/ Reimbursement – Best Fit

- Lower cost & greater flexibility
- Begin with the cash first to fund the FCA
- Back-up reimbursement benefits available if needed
- Aligned with LTC Progression of Care & Costs



Family Caregiver Agreement LTCi Partnership Program - Considerations -

- ◆ FCA Service Payments
 - Allowable asset transfers
- ◆ LTCi Benefit Payments
 - Not income taxable
 - Asset spend down protected
- ◆ Two for One Asset Protection Effect
 - Policy pays benefits directly to your family caregiver, plus
 - Non-Partnership protected assets can be transferred as well!

(* Refer client to appropriate legal counsel and tax advisor.)



Family Caregiver Agreement

- ◆ Recap: a Tool to Educate & Motivate for LTCi
- ◆ Sample FCA Available
- ◆ Care Options On-Line (COOL) Guest Pass
- ◆ Available at Three Exhibitor Booths
 - Mutual of Omaha
 - GOLDENCARE USA / American Independent Marketing
 - AIMS Benefit Solutions

Please Stop By To Learn More!

Thank You!