

## Member Focus—

## Introducing group long-term care insurance

Educators Mutual is pleased to announce the appointment of Kent Demars as its long-term care specialist. Kent has over 30 years experience working in the insurance and financial services industry. A majority of that time has been spent in the area of long-term care planning, and we look forward to having him share his expertise with our members.

### WHY NOW?

- A recent Aon Employee Benefit study put Long Term Care (LTC) insurance as the most requested voluntary benefit not currently offered by their employers.
- Both federal and local governments are doing their best to get people to consider buying LTC insurance, knowing government programs will be unable to fund the enormous future LTC expenses.
- Financial advisory firms from the Wall Street Journal to MSN Money.com are urging investors, especially those at or nearing retirement, to consider LTC insurance as an “asset protector.”
- Insurance companies aren’t the ones doing the “pushing,” they are simply reacting to the demand and counsel from the other news and advisory services.
- The demographics of the country are changing.

- 1 out of 2 “boomers” are already dealing with a parent or loved-one who needs LTC.
- 1 out of 2 “boomers” will buy or investigate LTC insurance in the next 3 years.
- A recent survey revealed there is an enormous gap between employees who believe that the cost of LTC is the greatest risk to their retired standard of living (67%) and those employees who have actually prepared themselves against that risk (12%).
- A majority of large employers (5,000+ employees) already offer LTC coverage while the majority of mid-size and smaller employers are just now looking at adding this benefit.

### WHAT IS IT?

- Generally, LTC is the care people receive when they need assistance in performing the tasks of ordinary living (bathing, dressing, etc.) or suffer a cognitive impairment.
- It is *not* the “acute” type of care generally rendered in a hospital.
- Because LTC is often custodial and “long term” by nature, it is usually *not covered by normal health insurance or Medicare.*
- While we generally think of the elderly with these problems, nearly 40 percent of people receiving LTC in this country are under age 65.
- While we also think of this care being provided in nursing homes or other facilities, the majority of LTC is provided in the home.

- LTC insurance covers individuals whether they need the care at home *or* in a facility.

### EMPLOYEE ADVANTAGES

- Surveys indicate employees are much more likely to purchase this critical coverage when offered by an employer, whether or not the employer helps pay the premium.
- There are discounts and premium savings available for employer-sponsored plans that are not available for individual LTC plans.
- Employer-sponsored plans usually have simplified underwriting standards, making it easier to obtain coverage.
- Employees are usually free to design their own plan benefits within broad company restrictions. Educators Mutual will guide and assist each employee as they select their plans.
- Spouses and extended family members (e.g., parents, siblings, grandparents) are allowed to participate and receive a group premium discount. Full underwriting may apply.

### “ROLL-OUT” TIME TABLE

We welcome your calls and/or inquiries anytime. You can contact Kent Demars at (801) 641-1766 or [kdemars@educatorsmutual.com](mailto:kdemars@educatorsmutual.com). We also look forward to visiting with each of you in the near future. Your *BeneFacts* newsletter will also contain helpful information relative to LTC throughout the coming year.

Administrative Focus—

# The employer side of long-term care coverage

While the employee advantages of long-term care insurance are evident, it is also true that offering a group long-term care plan provides benefits to the employer as well.

## IS THERE A COST TO THE EMPLOYER?

- An employer may participate at any level with which they are comfortable .
- “Employer sponsorship” requires no employer “hard costs.” Allowing work-site seminars, “lunch and learn” meetings, and other communication with employees will add greatly to the success of the plan. Payroll deduction/list bill is also extremely helpful, but not mandatory.
- An employer funded “minimum base plan” is inexpensive and

allows a cost-sharing as employees “buy-up” to levels appropriate to their personal situations.

- An employer may also choose to do a “totally funded” plan. This may be appropriate in some smaller groups to aide in insurability or tax considerations.
- Educators Mutual will assist you in choosing which plan will best fit your situation.

## EMPLOYER ADVANTAGES

While the “normal” advantages of employee morale, retention, productivity, etc. are obvious, perhaps the greatest benefit of all is the service you will be providing to the employees. Most employee benefits cease at retirement. LTC insurance is completely “portable” and will travel with the employee into retirement at the same “group-rate” savings. Not only will the employees be more likely to actually purchase the coverage if offered by an employer, the coverage becomes

more and more valuable as time goes by.

For more information, about long-term care insurance for your group, contact Kent Demars at [kdemars@educatorsmutual.com](mailto:kdemars@educatorsmutual.com) or (801) 641-1766.

### Get your BeneFacts online

If you would like to receive your *BeneFacts* via email (instead of paper), please send your request, including your name, mailing address, and email address, to [chawkes@educatorsmutual.com](mailto:chawkes@educatorsmutual.com).

To create your Educators *My Account* and sign up for electronic Explanations of Benefits, go to [http://www.educatorsmutual.com/auth/\\_MemberEnroll.asp](http://www.educatorsmutual.com/auth/_MemberEnroll.asp).

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