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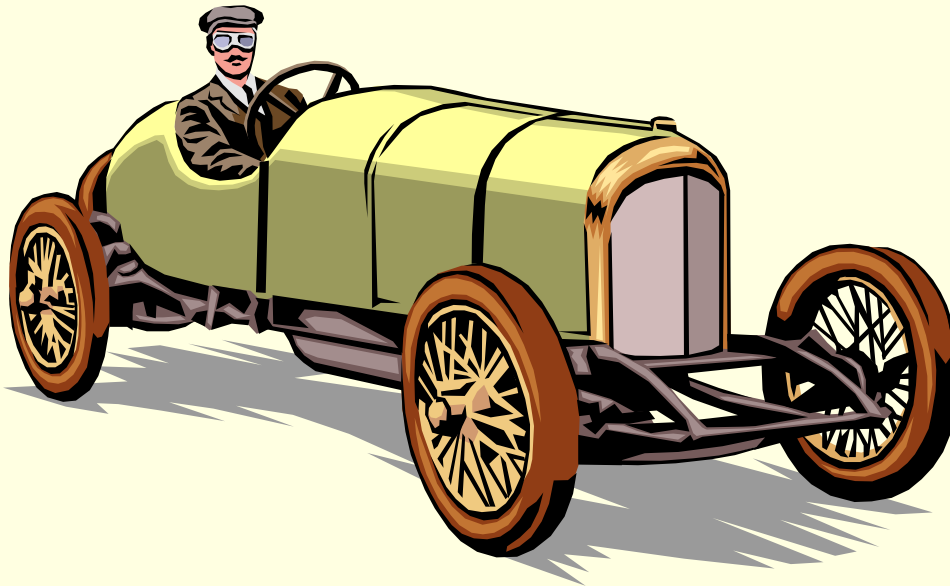


What's Your Plan?

Why living a long-life requires more than
good luck.



You know what was good about the good old days?



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Not a whole lot if you got sick....

Think for a moment about what happened if you had:

- A Stroke; or
- A heart attack; or
- Cancer.

Your chance of surviving was less than it is today.





Every day medical science creates more and more ways to live longer. That's the good news.



Some definitions....

- Long-term care is generally described as providing care and services when a person is unable to perform activities of daily living (toileting, bathing, dressing, eating, transferring and continence) or has a severe cognitive impairment.
- It requires primarily custodial, not skilled care.



A long-term illness requires primarily custodial not skilled care...

- Skilled care is that which is so complicated that it can only be administered under a plan of care put together by a doctor and executed by a skilled nursing staff.
- Custodial Care is assistance with your activities of daily living (ADL's)_ or supervision caused by a severe cognitive impairment.

_toileting, bathing, dressing, eating, transferring and continence.



Long-term care is not about you. It's about your family.



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“I don’t want my kids to take care of me.”

They will and they don’t...

- They don’t want to take care of you.

However...

- They will because they love you and are worried you may not be safe. Simply put it’s the right thing to do.



Old way of thinking about long-term care...



Previous seminars may have told you facts backed by statistics...

- The chances of needing care in a nursing home are 43%
- The impact a chronic illness can have on you not your family.



New thinking.



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You were right. Your chances of needing nursing home care are far less..

- The statistic often used of 43% is misleading. It states that past the age of 65, 43% may spend time in a nursing home.
- The actual chance of spending your remaining days is far less: 1% between 65-74. 6% between 75-84.

_New England Journal of Medicine, 1991

_A Profile of Older Americans; 1996 DHHS, Administration of Aging

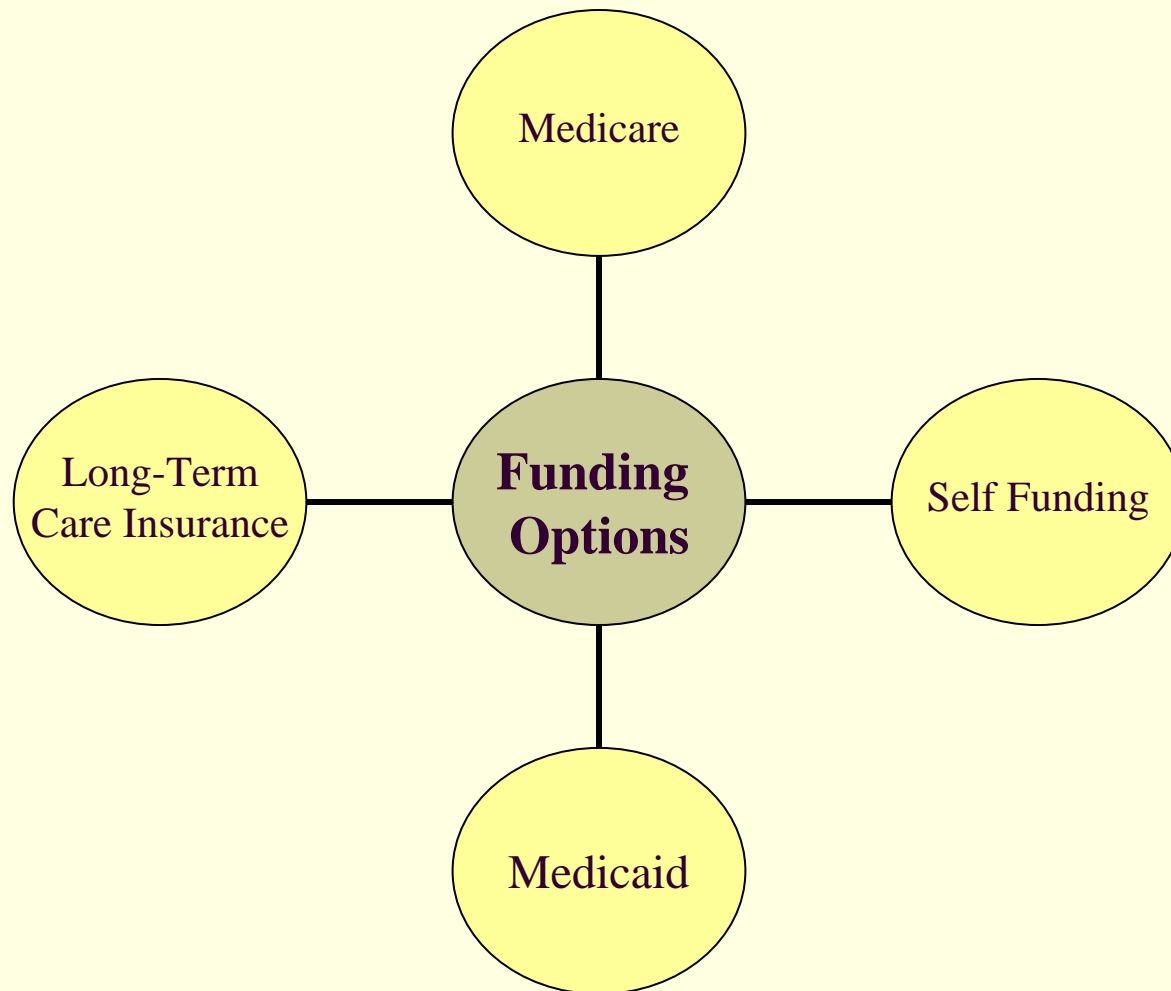


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Who will pay for your plan....



Lets look at four funding options...



Medicare is health insurance. Health insurance pays for skilled, not custodial care...

- Home care: Only for skilled or rehabilitative services.
- Adult day care: Nothing.
- Assisted care living: Nothing
- Skilled nursing home: Pays for no more than 100 days of care only if skilled and or rehabilitative services are required.

Assessment? Medicare pays nothing for custodial care.



Medicaid is a federal and state program for those in financial need...

- Home care: Pays for primarily skilled or rehabilitative services._
- Adult day care: Very limited_
- Assisted care living: Pays very little._
- Skilled nursing home: Pays for custodial as well as skilled and rehabilitative services.

_Most states have a Home & Community Based Program that makes limited funds available to keep people, who would otherwise be in nursing homes, in the community. Services are generally limited and accompanied by long waits.

_Approximately 10% of beds in Assisted Care Living facilities are paid by Medicaid.



“I can self fund the cost of long-term care...”

- First let me ask you a question: What is your retirement plan?
- Fair enough. Obviously you have allocated assets and income to pay for post-retirement needs.
- Right now those assets are covered by forms of insurance....



Your retirement portfolio is now exposed to the real risk of having to pay for long term care because you live a long life.



Asset Portfolio

- Car →
- House →
- Family →
- Income →
- Wealth →
- Portfolio at retirement →

Asset Protection Portfolio

- Car Insurance
- Property Insurance
- Life Insurance*
- Disability Insurance
- More life insurance
- ?



Long-term care insurance (LTCI)...

- Unlike health insurance that only pays for skilled care, LTCI pays for custodial care.
- Benefits are paid for continuum of care already discussed:
 - Home care
 - Adult day care
 - Assisted living
 - Skilled nursing home care



Long-term care insurance (LTCI) protects your retirement portfolio...

- Life and other forms of insurance protected your assets during working years.
- LTCI protects your retirement portfolio so it can execute first the purpose for which it was intended, retirement. Otherwise you may have to divert retirement income and eventually invade principal to pay for your care.



The first question should be what should you look for in the person selling the policy

- Is he or she trying to sell me insurance or help me solve my long-term care needs by asking appropriate questions and listening.
- What are the person's credentials? What steps has the person taken to approach the subject professionally?
- What carrier is the person representing?



Long Term Care Premium Comparison

Date: 09/25/05

Prepared for: **John Doe & John Doe**

Prepared by:

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118 Wall Street
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State: NJ NJ
 Birthdate: 01/01/1947 01/01/1947
 Issue Age: 58 58

	GE Privileged Choice	John Hancock Custom Care II	MetLife Ideal	Allianz Generation Protector
Tax Qualified	Yes	Yes	Yes	Yes
Underwriting Class	Preferred	Preferred	Preferred	Preferred+
Facility Daily Benefit	\$200	N/A	\$200	\$200
Facility Benefit Period	5 Years	5 Years	5 years	5 year
Home Care Daily Benefit	100%	100%	100%	100%
Home Care Benefit Period	Pooled	Pooled	Pooled	Pooled
Inflation Protection	Compound	Compound	Compound	Compound
Facility Elimination Period	90 days	90 days	100 days	90 days
Nonforfeiture	Contingent	No	Contingent	No
Spouse Premium Waiver	No	Yes	No	No
Survivorship	Included	Yes	Included	Yes
Marital Discount	Both Spouses	Both Spouses	Both Insured	Both Spouses
Payment Option	Lifetime	Lifetime	Lifetime	Lifetime
Modal Factor	Annual	Annual	Annual	Annual
Other	Policy Type: Individual Monthly Benefit: \$6000	Benefit Type: Monthly Monthly Benefit: \$6000		
Premium	\$2,190.00	\$2,461.53	\$2,172.85	\$1,966.39
	GE Privileged Choice is a Tax-Qualified Plan.	Tax-qualified plan with pooled benefit. Benefits can be daily or monthly.	Tax-qualified plan with pooled facility and home/community care benefit. Benefits are paid monthly.	Tax-qualified plan with pooled benefits.





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