Long-term care advisor education series

The Long-Term Care Partnership Program

Getting down to basics

In the last four years, the long-term care industry has seen a lot of change. One of the most significant changes has been the adoption of the Long-Term Care Partnership (LTCP) program in a large number of states. As a result, if you are licensed to sell long-term care insurance, you've probably been subject to new training and licensing requirements. The LTCP program can be beneficial to many individuals if it is set up correctly, so it is important for you to completely understand it.

Background

The LTCP program was originally developed by state governments and private insurers to help educate individuals on the need to prepare for long-term care. The original states of the program were New York, Indiana, Connecticut and California. In 2005, the Deficit Reduction Act of 2005 passed, allowing any state to participate.

How it works

1. A consumer purchases a long-term care policy that meets all of the LTCP program requirements (for most states this includes the policy's being tax-qualified and containing the appropriate inflation protection).
2. When the consumer goes on claim for long-term care, they are able to retain assets equal to the amount of long-term care benefits paid from their LTCi policy, dollar for dollar.
3. At the point where their assets equal the amount of LTCi benefits paid, they may be able to qualify for Medicaid and avoid the spend-down rules usually required.

Benefits of the LTCP program

- Helps individuals understand the overall costs of long-term care services and how they can be proactive.
- Promotes preparing for long-term care to individuals who wouldn't normally think about purchasing LTCi but now could consider protecting some assets.
- Reduces the financial stress on state Medicaid programs by having individuals take actions to minimize their dependence on state assistance.

Does Minnesota Life's LTCA qualify as an LTCP product?

- No, Minnesota Life's Long-Term Care Agreement is not eligible for the LTCP program. Although the LTCA is a tax-qualified plan, there is no option to add inflation onto the LTC portion of the contract, which is a requirement for the LTCP program.

Fully understanding the LTCP program can help you work with your clients to decide if an individual LTC policy or an agreement is right for them. Contact your Life Sales Support Team to learn more.

For financial professional use only. Not for use with the public. This material may not be reproduced in any form where it is accessible to the general public.

Since 1880, Securian Financial Group, Inc. and its affiliates have provided financial security for individuals and businesses in the form of insurance, investments and retirement plans. Now one of the nation's largest financial services providers, it is the holding company parent of a group of companies that offer a broad range of financial services.

Securian Financial Group, Inc.
www.securian.com

400 Robert Street North, St. Paul, MN 55101-2098

Available with policy form numbers: 06-700 ICC09-700 09-710 ICC09-710 10-220 ICC10-220 07-660 09-932 ICC12-932

F71775-52 6-2012 DOFU 6-2012
A02527-0612