



2016 MDRT Annual Meeting e-Handout Material

Title: Long Term Care Insurance: Live Without Compromise

Speaker: Jennifer Jacobs, CFP, CLU

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Slide 1



Jennifer Jacobs, CFP, CLU
Long Term Care Insurance: Live Without Compromise



2016
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VANCOUVER

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One Simply Question..

What if you live?

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What is it?

Do you own it?

Would you recommend it?

Can you talk about it?

Do you believe it is a good product?

Do you believe the need is there?

First thoughts on living benefits.....

Imagine the initial thoughts of clients...

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Why is it needed?

Change in population

Change in family structure

Change in society/expectations

Change in medical advancements

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Change in survival rates

Change in Debt

Change in interest rates

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Change in population

- As of 2015, there are more people in Canada over age 65 than under the age 15
- Centenarians (100 years) up 22% in last five years – will triple by 2020
- 25% increase in octogenarians (80 years) in last five years


Figure 1: Canada's Aging Trends and Projections, to Age 85+ in 2015



Source: Statistics Canada, Population Projections

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Family Structure

- Overall Trends
- Smaller families
- More women are working full-time
- Increased labour mobility
- Blended Families
- Children later in life

Result

Significant reduction of informal or "free" care.

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Who will provide care in the future?

Note :

In 2010, government spending on health care was expected to reach \$135.1 billion, while private-sector spending, which includes both private insurance and out-of-pocket expenses, was to reach an estimated \$55 billion.

For more than a decade, public and private-sector accounting for about 70% of the total health care bill and the private sector for 30%.

Figure 5: CEC's Cost Projections (2009-14), by Component of Costs, Billions \$/Year

Source: Health Canada and Statistics Canada

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Medical Advancements

Life expectancy at birth continues to increase in Canada, reaching 81.2 years in 2009. Knowing whether these older years are healthy or disabled is critical for policymakers. We examine changes in disability-free life expectancy for men and women in Canada in 1994 and 2007 using the Sullivan method. We find that increases in life expectancy for men were due to a moderate increase in healthy years and a larger increase in disabled years. The increases in life expectancy for women were driven almost completely by increases in disabled years, suggesting an "expansion of morbidity" among women.

Figure 6: CEC's Cost Projections (2009-14), by Component of Costs, Billions \$/Year

Source: Health Canada and Statistics Canada

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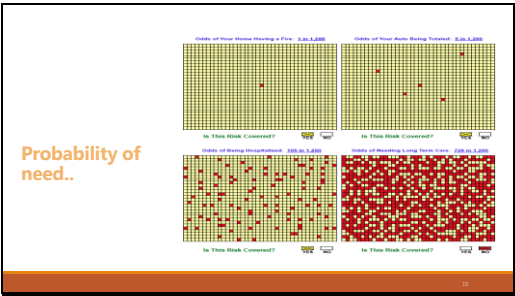
FREE Care costs will rise.....

- The Boomers Will Have Impact On Health Care Costs
- Based on current figures, if per capita spending increases from \$2,000 annually to approx. \$9,000 annually, the net result will be additional health care costs of \$35 Billion!
- Of which much will fall to the individual....

Figure 6: CEC's Cost Projections (2009-14), by Component of Costs, Billions \$/Year

Source: Health Canada and Statistics Canada

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LTC Insurance is Amazing
It is a living miracle that
changes lives....

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Definitions

- ADLs
- Bathing, dressing, transferring and toileting

- Incontinence
- Feeding


- Cognitive impairment

- Standard cognitive testing

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Other features



Tax advantages – Tax free...

Unlimited options – The value is immense

Limited Pay and ROPD

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Integrating and Diversifying

CI

- Cancer
- Heart Attack
- Stroke
- B-Pass
- Other

LCTI

- Injury / Fracture
- Surgery
- Cancer
- Stroke
- Cardiovascular

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Strategies and markets to consider

18 - 45	Usually a niche or special situation
45 - 60	Combination Planning
60 - 80	LTCI Planning

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Experience over the last 10 years



The unexpected reality of 3 women and their parents

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When will it change for you?



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Live without
Compromise

Thank You
Questions?

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