

Group/Plussm

**How to convert under-utilized and under-appreciated
voluntary long-term care insurance plans into
powerful retirement security programs –
without cost to your company!**



Corporate Compensation Plans, Inc.
457 Main Street - Danbury, CT 06811
203.792.7300 - www.corpcompinc.com

Why is Group/Plus of critical importance to the success of your retirement plans?

Group/Plus will significantly **increase** participation in your long-term care insurance program. This is extremely important because, **without** long-term care insurance, it is **impossible** for your employees to be **guaranteed** a secure retirement. Here's why:

Your company has invested a significant amount of effort and money in your retirement programs, yet 70% of your retirement plan participants will spend some, or all of their retirement income on long-term health care costs⁽¹⁾. For some the costs will be inconsequential. For others, their costs can exceed a million dollars from care for a severe injury or a stroke, or diseases like Parkinson's, Multiple Sclerosis, or Alzheimer's⁽²⁾.

For these retirees there will be a serious **GAP** between their retirement **expectations** and the retirement **reality** they will experience. The reason: their ongoing health care costs will have to be paid either from their retirement and investment plan **income** or by **liquidating** some, or all, of their assets.

- Their health care costs are paid from income they, and their families, will have to **reduce** their standard of living and **change** their lifestyles.
- Their health care costs are paid by liquidating assets, their family legacies will be **shortchanged** and – in addition – they run the risk of spending down their remaining assets and could be left with nothing.

The purpose of Group/Plus is to make certain that your retirement plan participants will never have to make either of these choices.

Right strategy – Failed execution

Many forward-looking companies have realized that the **only** remedy to the long-term health care threat to their employees' retirement security is **long-term care insurance**. Unfortunately – through no fault of their own – voluntary long-term care insurance plans have **failed** to gain traction. They are almost universally **under-utilized** – participation rarely exceeds 10% – which means they are equally **under-appreciated**.

The reason: it is virtually impossible to achieve high participation in a voluntary long-term care insurance plan when only the insurance company performs the benefit communication and enrollment functions.

Achieving high participation in a long-term care insurance plan – which translates into strong employee appreciation – requires an effective **educational** process that includes one-on-one **personal counseling**. This is because both long-term health care and long-term care insurance are **complex** subjects and are not easily understood.

Few, if any, group long-term care insurance companies provide this **essential** one-on-one advice because their business models **cannot** economically support it. This financial constraint limits their ability to provide an effective **educational** process – causing voluntary long-term care insurance plans to almost always be under-utilized and therefore not fully appreciated.

An additional result of a flawed educational process is that many employees who **do** purchase insurance do **not** really understand what they bought – therefore, despite being insured, they may **not** be **adequately** protected.

The Group/Plus Solution

The objectives of Group/Plus are these:

1. To produce “**educated consumers**” (the “consumers” being your employees) through a comprehensive **educational** process that creates **awareness** about the long-term health care threat to their retirement income – and shows exactly **how** long-term care insurance can **eliminate** that threat.
2. To provide these educational tools **without** cost to your company.
3. To provide these educational tools **without** the need to change your current insurance carrier.

Here is how Group/Plus works:

Group/Plus **combines** the best elements of voluntary long-term care insurance plans with a superior **financial planning** component to provide education and guidance, optimizing the value of the insurance solutions:

- **One-on-One** personal counseling using “virtual” technology as a platform for employees to ask questions, such as:
 - How **much** insurance do I need to **protect** my retirement income?
Can you provide personalized financial **modeling** that will help me understand my financial exposure and the costs to eliminate it?

- Can you provide me with a personalized financial **model** that **compares** buying insurance with self-insuring the risk?
 - As a New York State resident, how do I apply for the **20% tax credit**?
 - How does the **return of premium** benefit work and can it reduce my ultimate costs?
 - Can you demonstrate, conclusively, to me why I should not **wait** until I retire to buy long-term care insurance?
 - My attorney says I can assign my policy to a trust to **reduce** estate taxes – how does that work and can you supply me with the applicable Internal Revenue Service reference material?
 - I have **health issues** and didn't buy insurance when it was first available – what are my options?
 - I'm trying to **compare** my group policy benefits and premiums with those from other insurance companies – can you help?
 - I spend a great deal of time **overseas** – am I covered?
- A **Personalized Summary** of each policyholder's plan that can include a **20-year** projection of all benefits, costs, and allowable tax subsidies.
 - An annual **State Tax Update** that provides employees with the amount of applicable state tax deductions and tax credits, such as the 20% credit in New York State and the 15% credit in Virginia.
 - A customized **Website** with secure access for each plan participant to obtain their plan highlights including benefits and premiums along with copies of their group certificates and policies.

In addition, Group/Plus will provide your firm with the following services:

- An **Annual Review** to make certain your group policy contains all the new features offered by your carrier and that is making them available to your plan participants. Additionally, we will attempt to obtain a **renewal** of the **guaranteed issue** offer for employees who initially declined the coverage.
- A **Benchmarking Report** comparing your group plan against policies offered by other carriers in terms of benefits, premiums and contract provisions.
- A **Contract Analysis** summarizing the key benefits and features of your group policy, and equally important, the **exclusions** and restrictions that might cause embarrassment to the firm when employees apply for benefits.

Finally, we will discuss with you how the development and execution of a robust **Re-Enrollment** strategy can dramatically **increase** participation in the long-term care insurance plan.

How can Group/Plus provide all of these services and benefits without cost to the firm or its participants?

Usually, it's impossible to get something for nothing – yet in the case of Group/Plus perhaps you can! The reason: many insurance companies are willing to re-allocate existing expense and compensation items to allow us to manage your plan more effectively.

Your Next Step

To learn more about how Group/Plus can build Retirement Security for your partners and employees – while helping your company to attract and retain the top talent needed to compete in today's global economy – simply contact Tracy Shaw at 203.792.7300, email her at tshaw@corpcompinc.com AND click here for a FREE analysis of your group Long Term Care Insurance program.

About Corporate Compensation Plans

For nearly thirty-five years Corporate Compensation Plans has designed and administered innovative and tax-effective retirement and insurance programs for many of the country's most prestigious law firms and largest corporations. The objective of these programs is to enhance the financial security of their employees by protecting their incomes and preserving their assets.

Group/Plussm is a joint marketing venture between Corporate Compensation Plans, Inc. and RetirementGuard LLC, the creator of the plan.

(1) U.S. Department of Health and Human Services. Also see *What Can Current Retirees Expect*. Research by Peter Kemper, Ph.D., Department of Health Policy, Pennsylvania State University, June 2006 *LTCI Sales Strategies Magazine*.

(2) See *MetLife 2008 Mature Market Studies on Costs of Long-term Health Care*.