



**NaviPlan Extended
Online/Offline
Long-term Care Insurance
Participant Guide**

USA version 10.2

EISI, Winnipeg

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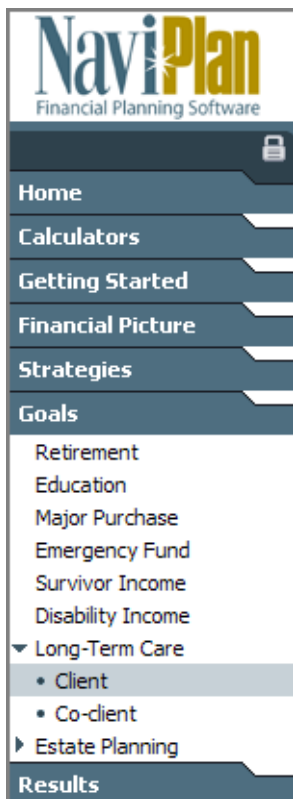
Long-term care insurance

Learning objectives

This module will enable you to

- Examine assumptions
- Define needs
- Generate an analysis using reports and graphs

Long-Term Care category



The *Goals* section – *Long-Term Care* category is used to enter or select settings about the following:

- Long-term care assumptions, such as when long-term care begins
- Additional expenses during the long-term care period
- Any periodic incomes during the long-term care period

Long-term care reports and graphs can be accessed and generated on the *Goals* section – *Long-Term Care – Client* or *Co-client* category – *Reports* page or on the *Results* section – *Additional Reports – Insurance* category – *LTC Insurance* page.

Figure 1: Navigation bar showing the *Goals* section – *Long-Term Care* category

Define long-term care objectives

Long-Term Care
David Train and Mary Trai... - Core and Elective Base - NPE Level 2
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Objectives
LTC Expenses
Income Adjustments During LTC
Reports
Calculators
Tools

The plan will simulate David entering long-term care over the LTC Analysis Period.

Objectives

Age at Start of LTC: in the year

LTC period years: *

* Assumption is that David dies at the end of the LTC period.

Percent of Expenses to Cover:

Continue Savings Plans

Figure 3: Goals section – Long-Term Care – Client category – Objectives page

Long-term care assumptions

Assumptions
David Train and Mary Trai... - Core and Elective Base - NPE Level 2
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General
Milestones
Capital Loss Carryovers
Unused Charitable Donations
A.M.T. Carryforward
Calculators
Tools

▶ [Instructions](#)

	David	Mary
Enter the age (date) at which you want to retire.	<input type="text" value="54"/> <input type="text" value="Apr 2022"/>	<input type="text" value="52"/> <input type="text" value="Jan 2022"/>
Disabled at start of (age/date):	<input type="text" value=""/> <input type="text" value="Dec 2999"/>	<input type="text" value=""/> <input type="text" value="Dec 2999"/>
LTC at start of (age/date):	<input type="text" value=""/> <input type="text" value="Dec 2999"/>	<input type="text" value=""/> <input type="text" value="Dec 2999"/>
Enter your estimated life expectancy (age/year):	<input type="text" value="90"/> <input type="text" value="2058"/>	<input type="text" value="90"/> <input type="text" value="2060"/>

Figure 4: Getting Started section – Assumptions category – Milestones page

Exercises

The following exercises have been designed specifically for this module and assume that you are working with the original data in the *Core and Elective Base* plan. Before starting the exercises, duplicate the **Core and Elective Base** plan, rename the duplicate with a meaningful name (e.g., *LTC Insurance training*), and then use it to complete the exercises below.

To find the answers, see “Answers to long-term care insurance” on page 7.

Exercise 1: Examine assumptions

1. NaviPlan assumes the client is deceased at the end of the long-term care analysis. Is this statement true or false?
 - a) True
 - b) False
2. NaviPlan will recommend an additional amount of insurance after it has performed a long-term care analysis. Is this statement true or false?
 - a) True
 - b) False

Exercise 2: Define needs

1. What expense type can be modeled from the *Goals* section – *Long-Term Care – Client* category – *LTC Expenses* page?
 - a) Qualified medical
 - b) Deductible itemized
 - c) Lifestyle
 - d) a) and b)
 - e) a) and c)
2. Model an additional long-term care expense of **\$200 per day** indexed by inflation for **four** years. Select **Lifestyle** from the *Expense Type* list.

Hint: Go to the LTC Expenses page.

Exercise 3: Generate an analysis using reports and graphs

To find the answers, see “Answers to long-term care insurance” on page 7.

1. Using the reports and graphs from the long-term care analysis, generate the *Cash Flow Summary if David enters Long-Term Care* report. Change the **Ending Year** field to **Last to Die** when assigning the settings to the report.

Hint: Go to the **Reports** page.

2. Approximately how much is the Trains’ net worth in the year David enters long-term care?
 - a) \$1,000,000–\$10,000,000
 - b) \$10,000,001–\$20,000,000
 - c) \$20,000,001–\$30,000,000
 - d) \$30,000,001 or more
3. Are there yearly cash flow deficits at any time during the long-term care period?
 - a) Yes
 - b) No
4. Various states have their own limitations and rules regarding long-term care payments and benefits. Are state income tax modifications for long term care taken into consideration?

Hint: Look at the footnote in the report you generated in question 3.

- a) Yes
- b) No

Reminder: If the clients experience shortfalls during the long-term-care period, it is up to the planner to calculate a recommended insurance amount.

Conclusion

This module has enabled you to

- Examine assumptions
- Define needs
- Generate an analysis using reports and graphs

Answers to long-term care insurance

Exercise 1: Examine assumptions

1. a) True. NaviPlan assumes the client is deceased at the end of the long-term care analysis.
2. b) False. It is up to the planner to recommend an additional amount of insurance.

Exercise 2: Define needs

1. e) a) and c) Qualified medical and lifestyle expenses can be modeled from the *Goals* section – *Long-Term Care – Client* category – *LTC Expenses* page.

Exercise 3: Generate an analysis using reports and graphs

2. b) The Trains' net worth in the year David enters long-term care is approximately \$10,000,001–\$20,000,000.
3. b) Yes. There are yearly cash flow deficits during the long-term care period.
4. b) No. State income tax modifications for long-term care are **not** taken into consideration.

