

# Long-Term Care Announcing New Business Rate Adjustment Effective February 1, 2012



1/18/2012

PRODUCT

Mutual of Omaha considers LTCi as a core product, which means it's a major part of our long-term business strategy. As we remain committed to this market, it is imperative that we actively monitor emerging industry trends, as well as, market activity and take appropriate actions as deemed necessary.

Therefore, due to the low interest rate environment, effective **February 1, 2012** we're adjusting rates on all Mutual Care® Plus and United LTCi Solutions inflation riders (including the Future Purchase Option) on **new business** for the states listed below. This action will help ensure we'll remain a major player in the LTCi market for years to come.

Alabama	Kansas	Montana	Oklahoma
Arkansas	Kentucky	North Carolina	South Dakota
Arizona	Maine	North Dakota	Tennessee
Georgia	Michigan	Nebraska	West Virginia
Iowa	Mississippi	New Hampshire	Wisconsin
Illinois	Missouri	New Mexico	

*\*Approved states are subject to change. Please refer to the "final" communication in the Jan. 18 version of Express.*

As additional states approve the adjusted inflation rider rates, you will be notified accordingly. This adjustment will not affect any current inforce policyholders. These changes are only on new business. We have no plans to increase inforce premiums for our Mutual Care® Plus and United LTCi Solutions products.

## YOUR CHOICE FOR LTC

Though the low interest rate environment has made this rate adjustment necessary on our inflation options, the Mutual Care® Plus and United LTCi Solutions portfolios continues to remain competitive and unique to the industry. If you're not familiar with our unique industry benefit features such as *a built-in cash benefit with no elimination period, flexibility to switch from cash to reimbursement and calendar day elimination period*; then visit our online resource center at [www.yourchoiceforltc.com](http://www.yourchoiceforltc.com). It contains all the tips, tools and training you need to connect with customers and increase your LTCi sales.

In addition, a [Frequently Asked Questions](#) document has been attached to provide additional information regarding the new business rate adjustment.

## TRANSITION RULES

In order to receive the existing rates, individual and multi-life applications for the approved states shown above must be signed by **January 31, 2012** and must be received in the Home Office no later than **February 15, 2012**. Applications signed after January 31, 2012 or received in the Home Office after February 15, 2012 will receive the adjusted rates.

## ILLUSTRATION SOFTWARE

Updated illustration software will be available for download on Sales Professional Access with the adjusted inflation rider rates on February 1, 2012. **Please update your software before running any quotes on or after February 1, 2012.**



## LTCi New Business Rate Adjustment FAQ

**Q: Why are new business rate adjustments necessary?**

**A:** Mutual of Omaha actively monitors industry and economic trends. The current low interest rate environment requires us to charge higher premiums for various inflation options in order to be able to support the same level of benefits.

**Q: What changes are being made?**

**A:** Adjusted rates on our inflation riders (including the Future Purchase Option) for the Mutual Care® Plus and United LTCi Solutions product portfolios have been filed with each state. All currently marketed inflation options and rider language will remain the same, unless modified by the state during the filing process.

**Q: Will the adjusted rates impact inforce business?**

**A:** No. Current policyholders will not be impacted by the adjusted rates. These rates will only impact new business for all applications signed after the effective date of the rate change as outlined in the field communication.

**Q: How will the adjusted rates on the inflation riders affect my multi-life groups?**

**A:** Applications signed on or after the sales effective date for your state (as provided in the field communication) will receive the adjusted rates.

**Q: When can I see what the adjusted rates on the inflation riders will be?**

**A:** Illustration software will be updated once the new rates are effective. Please refer to the field communication to see when the updated illustration software will be available. Please be sure you update your software before running any quotes on or after the sales effective date provided in the field communication.

**Q: When will the adjusted rates be implemented?**

**A:** The sales effective date, in approved states, for the adjusted rates on new business is provided in the field communication. As additional states approve, you will be notified accordingly.

**Q: How will the adjusted rates on the inflation riders affect Mutual of Omaha's sweet spots?**

**A:** The portfolio of products will continue to offer all of the competitive features which allow our product designs to remain one of the best in the industry.

- Built-in cash benefit with no elimination period
- Flexibility to switch from cash to reimbursement
- Calendar day elimination period
- Multiple spousal benefits including Spouse Security Benefit
- Multiple inflation options to choose from
- No caps on allowances

Premiums continue to remain in line with the competition. Our focus will continue to be on:

- Married individuals
- 3, 4 & 5 year benefit periods
- Compound inflation options less than 5%

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