

Long-Term Care Insurance and Where It Fits In Today's Elder Care

One of the major issues that almost every family will face is the cost of Elder Care: when and how to plan for it and how to pay for it. Those clients who have regular planning meetings with us know that we are advocates of **Long-Term Care insurance (LTCi)** as a way to be prepared both financially and emotionally when help is needed to live your life as comfortably as possible.

Many of our clients have purchased LTCi over the years and several have received or are receiving benefits from those policies. At the same time, almost all policy owners have experienced premium increases, sometimes more than once, and often those increases have been significant.

Clients ask us, "Do I need to keep my policy? If so, should I pay the increase, or are there other options to consider such as reducing the benefits of my policy to keep the premium cost down, or should I look at another option for coverage?" Our response is to work with companies to find the best coverage for the dollars each policy owner is willing to pay.

Over the last couple of years, many of the insurance companies have decided to either leave the LTCi market completely or no longer issue new traditional policies. While Genworth, Mutual of Omaha, and Transamerica are among the few still issuing the traditional insurance product, John Hancock announced they will no longer be issuing new policies; however, they will

continue to manage existing policies already in place.

Given all this, does it still make sense to consider LTCi as protection from the staggering cost of care, whether at home or in an assisted living or total care facility? Will there be a time where the premiums are cost prohibitive?

As today's traditional LTCi policies are challenged with much higher premiums and more restrictive underwriting than in the past, the insurance industry has been pushed to develop a new **hybrid policy**. This policy has an LTCi component tied to a life insurance policy. There are two main benefits of this product. First, the premiums are fixed. Second, if you never go on claim, the death benefit goes to your heirs tax-free. We have more clients now choosing this option over the traditional policies.

These hybrid products are still evolving. The companies are beginning to introduce premium options other than single-pay and are offering group underwriting that has been missing in the industry for several years. All companies, whether they offer traditional or hybrid policies, are keeping a closer eye on the actuarial numbers and are now doing annual claims studies through independent firms to confirm what the actuaries are telling them. We rely on **Natalie Murch**, our LTCi consultant for the last 20+ years, to keep us informed. She alerts us to any new updates or innovations, such as which companies are better

Special Office Hours:

Please note the following changes to our usual business hours:

Wednesday, August 30th – Office Closed for company meeting

Monday, September 4th – Closed for observance of Labor Day

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for single applicants, which companies may have flexibility on certain underwriting issues, or if a new company has entered the LTCi market.

We are all living longer and face the distinct possibility that we will need some type of elder care during our lives. This care is going to be expensive, and we need to plan how to pay for it. The sooner a plan is in place, the greater the chance of handling the costs. Dollars can come from savings, pensions, investments, or some type of LTCi policy, and we remain advocates of LTCi as a way to cover some of this cost.

PDS will continue to review the policies of our existing clients and make appropriate recommendations for changes. In addition, we are glad to review the need and type of coverage for those who have not yet considered LTCi.

Quarterly Investment Webcast

Our **2nd Quarter Investment Webcast** included a review of the first half of 2017, the lack of market volatility, and synchronized global growth. Also discussed were the reasons for the recent international outperformance and different ways to access this asset class.

You can listen and view the complete presentation by Kurt, Tom, and Bob at your leisure by visiting our blog. Feel free to share with a friend!
pdsplanning.com/blog.

Upcoming Events

Our annual **PDS Family Day at the Columbus Zoo** will be on **Saturday, September 30th**. This is our way of showing our appreciation for each of you, and we always enjoy the time spent with you and your families. Please remember to RSVP by Wednesday, September 13th by calling 614-481-8449 or emailing jolding@pdsplanning.com.

As we plan for a **Fall Client Education Event**, it is our hope to have a presentation on a topic that unfortunately has touched nearly everyone in central Ohio in some way – the **opioid epidemic**. We hope to have an informative evening for you. More details to follow.

Honorary Retirement Celebration

Please join us for the “Celebration” scheduled for **Bob Hamilton, Bob Cochran, and Jim Hamilton on Friday, October 20, 2017 at Griggs Boathouse from 3-7p.m.** We will have an open social where hors d'oeuvres, drinks, and a special “Hamilton” snack will be served. A formal invitation will be sent.



Griggs Boathouse

2017 Company Announcement

By now, you should have received the **2017 Annual company announcement**. We wanted to provide additional information about the growth of the organization that was not included in our initial communication. On the client longevity chart, the growth of newcomers (1-4 years) was due 60% to the organic growth of the organization and the other 40% reflects the clients **Jamie Menges** brought when he joined PDS in 2013. We are thankful to have the top two primary sources of new clients coming from our current client base and centers of influence. In addition, we recognize those of you who are still with PDS and are a result of relationships with **Bob Hamilton** prior to our founding. Thank you for trusting us to work with your family, friends, and colleagues.

“Wealth is the quality of life, the stuff that makes life worth living. You can be wealthy without lots of money. It's important to have a sense of perspective on this.” – Dick Wagner, Financial planning pioneer (1949-2017)

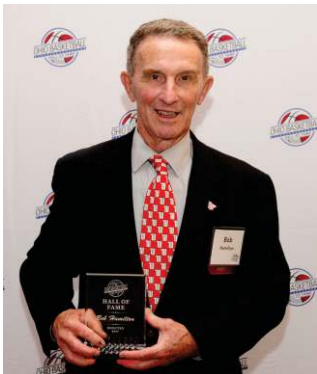
What's Happening At PDS?

Our annual **PDS Night at the Columbus Clippers** was another great success. We enjoyed food, drinks, conversation and due to a rained out game earlier in the season...two baseball games! Thank you to all our clients who came out for the event.



Yes, the food was good!

PDS will be conducting our all-day **annual company meeting** at Sparkspace in downtown Columbus on Wednesday, August 30th. We will discuss and prioritize our projected development plans for the upcoming year as well as review our key internal service processes.



Bob Hamilton, Hall-of-Famer

Congratulations to **Bob Hamilton** who was inducted into the Ohio Basketball Hall of Fame to recognize his contributions and accomplishments as both a coach and player.

Continued Thanks For Referrals

The PDS team would like to thank all of you who continue to refer your friends, colleagues, and family members to us. The majority of our new clients come through referrals.

Referrals are given when clients feel they receive real value from their planning team and want to share that benefit with their friends and loved ones.

We are committed to providing special attention to each person introduced to us, especially since they come from you, our respected clients and colleagues.

Bob and Susan Cochran welcomed hundreds of visitors to Beautyview Gardens again this summer including **Kurt, Megan, and Luca Brown**. In addition to thousands of lily blooms, the fine art metal sculptures of **Chris Itsell** (Husband of **Rita Itsell**) were displayed during a one-weekend special "Art in the Garden" tour.



Megan, Luca & Kurt in the garden

Ciera Frazier attended the Schwab Solutions conference in Columbus on August 3rd. The focus of this training was on improving operational efficiency including electronic signatures, online paperwork, and the continued protection of clients' confidential information.

PDS Recognized by Financial Advisor Magazine

PDS is pleased to be recognized once again as one of the nation's **leading fiduciary advisory companies**. *Financial Advisor Magazine* ranks Registered Investment Advisors (RIAs) annually in their July issue. Rankings are determined based on total value of investment assets managed, number of clients, and average size of client accounts. This type of recognition does not happen on its own. It takes the work of our entire staff of dedicated individuals, as well as the loyalty and friendship of all our clients. **Thank you** to everyone who helps to keep us on this list each year!

PDS On Social Media

Stay up-to-date on what's happening at PDS by following us on Facebook, LinkedIn and now, Twitter.



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linkedin.com/company/pds-planning-inc-



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Stat Bank

- 6.7...Percentage that U.S. stocks have gained annually in the past 10 years.
- 7.2...Percentage that Foreign stocks have gained annually in the past 40 years.
- 4 trillion...Dollars needed to update U.S. bridges, roads, tunnels, water plants, and other public amenities.
- 27...Percentage of adults aged 18-31 that were married and living in their own households in 2016.
- 57...Percentage of adults aged 18-31 that were married and living in their own households in 1975.
- 30...Median age for a newly married individual in the 2010s.
- 23...Median age for a newly married individual in the 1970s.
- 10,000...Fewer inflation-adjusted dollars the average worker aged 24-36 earns compared to the previous generation.
- 2...Times the amount of average student loan debt for a millennial compared to the previous generation.