

Sales Idea: Buy-Up Option

Provides flexibility
when needs change.



The buy-up option gives your clients the flexibility to adjust their inflation protection benefit as their needs change over time.

The Need

People want to be sure the long-term care policy they purchase today will be adequate to help pay for the services they need in the future.

Today's Reality

Many state partnership programs have lowered the inflation protection requirement to 1 percent. That allows you to offer your clients the affordability of a low inflation protection option while ensuring their policy remains partnership qualified. And while people who elect a 1 percent inflation percentage are taking an important first step, it may not be enough when it comes time to pay for the long-term care services they need 10, 20 even 30 years down the road.

The Solution

The MutualCare® Custom Solution policy includes a buy-up option that allows insureds to increase their inflation protection percentage once each year. Here's how it works:

- Each year, on or before the policy anniversary date, the insured can choose to increase his or her compound inflation protection to any percentage we offer (1 percent to 5 percent). The insured must elect this option in writing.
- The total level of inflation protection cannot exceed 5 percent
- The premium for the policy is based on the insured's age at the time of the buy up; however, actual premium will include a premium credit based on the type of coverage and how long the policy has been in force
- Any premium increase is effective on the policy anniversary date following the buy-up election with benefit increases occurring on the following anniversary
- The increase is available prior to the lesser of 20 years or age 75

Learn more

You'll find details about Mutual of Omaha's LTCi products on Sales Professional Access.

Go to
MutualofOmaha.com/sales-professionals
select the long-term care page.

Using the Buy-Up Option to Buy Down

This policy benefit also gives insureds the option to buy down to a lower inflation percentage at any time. And any gains previously applied to the policy are theirs to keep.

Sales Tip: Break Out the Buy-Up Option

Is your client ready to take a pass on inflation protection because of the added cost? Break out the buy-up option to explain how adding a minimal amount of inflation protection now – as low as 1 percent – can be an affordable way to ensure their future ability to increase the inflation percentage and grow their long-term care policy benefit.

Meet Robert

Robert understands the importance of adding an inflation protection rider to his MutualCare® Custom Solution policy. He also appreciates having the flexibility to make adjustments to the inflation percentage down the road.

At age 55, he purchases a policy with 1 percent inflation protection. Over the years, he exercises the buy-up option to increase his inflation percentage. At age 80, he chooses to buy down to the initial 1 percent.

Age	Inflation Percentage	How Premium is Calculated
55	1% Initial	Based on issue age of 55
58	2.5% After Buy Up	Based on age at the time of the buy up
61	3.5% After Buy Up	Includes a premium credit based on type of coverage and how long the policy has been in force
80	1% After Buy Down	Based on issue age of 55 Gains previously applied to the policy are retained