

## **Washington State LTC Update Email**

To: Independent LTCi Reps Appointed with Thrivent in the State of Washington  
From: Steve Sperka  
Date: May 24, 2021  
Subject Line: Washington State LTC Update

As a leading long-term care insurance carrier, Thrivent has a responsibility to our contract holders and distribution partners to ensure that product offerings are being used in a manner consistent with their original intent around protecting clients against the risk of long-term care.

The Washington State Cares Fund announcement is prompting us to implement changes to ensure that sales of Thrivent LTC are the result of financial advice based on the client's unique needs, rather than as an available (and temporary) option to avoid a payroll tax.

Thrivent will implement the following **changes to our long-term care insurance product for sale in the state of Washington effective as of 12 PM Central / 10 AM Pacific on May 28th:**

- We will increase our minimum issue age to 40.
- We will increase our minimum monthly benefit amount to \$3,000.
- Applications for proposed insureds under age 40 or monthly benefit less than \$3,000 (eApp or Paper) **must be received at Thrivent by 12 PM Central / 10 AM Pacific on May 28<sup>th</sup>**.
- No exceptions will be made to this deadline.

### **Illustration changes**

Given these changes, after 12 PM Central on May 28, system edits will be implemented on Thrivent Comprehensive and iPipeline LTC illustrations if an attempted illustration does not comply.

- Thrivent Comprehensive illustrations (partner.thrivent.com) will include on-screen messaging indicating why the illustration cannot be completed.
- iPipeline illustrations will return a generic error message that states "Illustration Web Service Error: Ledger Could Not Be Generated." When OK is clicked for the error, the user will be returned to the illustration screen.

### **Best practices to ensure client's desired issue date**

Following are application process guidelines for any Thrivent long-term care insurance contract where the applicant wants the application date to be the issue date:

1. The premium must be submitted with the application.
2. The advisor must include a note on the Representative's Information form 27155/e-app screen requesting the issue date be the application date.
3. Thrivent will not switch back and forth, or re-issue contracts to accommodate changes to the issue date.
4. Thrivent will not hold applications to be issued on a specific date.

### **Commission Chargeback Schedule**

A LTC contract should be used as a tool to support clients' LTC planning needs. There is concern that clients may not intend to keep their contracts after getting their exemption to the payroll tax. As a reminder, commission chargeback rules will apply in the event the client does choose to lapse the policy shortly after it's issued.

Following is Thrivent's commission chargeback schedule:

Thrivent Financial LTC	Chargeback/Commission Reversal Applied
Time Between Coverage Beginning (Inforce Date) and Coverage Ending (Paid to Date) Including Grace Period	
Less than or equal to 6 months	Charge back 100% of all first-year commission.
Greater than or equal to 6 months and one day but less than or equal to 12 months	Charge back 75% of first year commission.
Greater than or equal to 12 months and one day but less than or equal to 18 months	Charge back 50% of first year commission.
Greater than or equal to 18 months and one day but less than or equal to 24 months	Charge back 25% of first year commission.
Greater than or equal to 24 months and 1 day	No commission chargeback.

With appreciation for your partnership,

*Steve Sperka*

Steve Sperka  
Vice President - Health Insurance Products  
Product Manufacturing