

A Long-Term Care Insurance Primer

► This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by **John Englin**, a local member of FPA.

As millions of Baby Boomers head into their retirement years, *it's surprising how few actually know the government provides a minimal amount, if any home-based or nursing home care.* Long-term care insurance (LTC) may be one solution for those who need to bridge the gap between their savings and the actual costs they'll face.

Determining and paying for long-term care is complex, which is why it makes sense to discuss your individual situation with a CERTIFIED FINANCIAL PLANNER™ professional, like myself. *Here are some of the questions to think about before investing in long-term care insurance or other options:*

What resources do you have? We're not just talking about money here. While care giving puts a strain on family, it's important to consider whether family and friends are truly willing and able to help with your care, which can provide a considerable financial and emotional benefit.

How old are you and your spouse and what's your health history? People in good health purchasing long-term care insurance at the age of 55 usually get the most affordable deal in LTC insurance. But an individual's family health history and current health status are the real determinants of what your LTC insurance policy will cost. - or if you'll qualify for coverage. Also, it's important to note that the need for care can strike at any age.

What types of services are covered? Over the course of time, long-term care policies have evolved to place more emphasis on home-based care or assisted living, since most people would choose to recover or live out their last days in a familiar environment. Each policy lists the types of services that are covered under nursing home care and under home health care.

What triggers coverage? A qualified LTC policy won't go into effect until the covered individual can't perform two tasks of daily living for a period, typically 90 days, or when that person needs substantial supervision related to cognitive impairment.

What if I never want to go to a nursing home? The idea is to cover every eventuality. The best-designed LTC policies will pay the same amount of benefit whether care is received in a long-term care facility, an assisted living facility, an adult day care center, or in the home.

What's the record of particular companies in this business? Over the past generation, many companies have gotten involved in the LTC insurance business, and it makes sense to see not only who the leaders are at the time you're buying and what they're offering, but how financially healthy these companies are and have been over the course of time. You've probably heard of insurance companies that have gone out of business and stranded customers. There's no restriction on that happening with LTC providers, so check their ratings and financial history very carefully.

LSB Financial has a number of experts who would be happy to help you look into all the options available for LTC insurance.

Personal Service at LSB.

► **Renee LaBarge**, Deposit Service - Sales Leader

Expect great service! We believe that our life-long partnership with you, our client, is vital to your financial success! Toward this, we have developed a frontline personal service program supporting our client service philosophy at LSB. *The idea is simple. Clients work with experts from LSB who are trained to respond quickly to their financial needs while providing them with new ideas and creative solutions.*

Under this structure, clients can be assisted by either a *Client Service Associate* or a *Personal Banker*. At LSB, we felt this was an important benefit and investment for our clients. Below, is a brief breakdown outlining the client service expectations within our new frontline personal service program.

Client Service Associates. Client Service Associates are loyal to you, our clients by anticipating your needs and exceeding your expectations. These experts handle your account servicing activities on a daily basis. If unable to take care of your financial needs, Client Service Associates will make sure you are introduced to the right professional.

Personal Bankers. A Personal Banker's primary focus is to respond quickly to your financial needs in a positive, professional manner. These professionals are able to assist you with day to day account servicing activities, but have a stronger focus on helping you achieve your financial goals. If, together, you determine that a non-traditional banking service (i.e. insurance, investments or trusts) would be needed, a Personal Banker will help in facilitating a meeting with one of LSB's financial service's professionals. *LSB Personal Bankers are a free service to all our clients!*

We know that in order to give great service we must also have depth of knowledge and financial expertise. Whether you have a traditional or non-traditional financial service need, it is important we work within a team framework to make sure your goals are met by an expert.

We have been working within the frontline personal service program for a little over a year and hope that you have already received the benefits. In order for us to continue great service, we need your feedback! Please let us know about the service you have experienced. You can email your comments to us at info@mylsb.com or feel free to give me a call (800) 588-7551. *We look forward to being your engaged, life-long partner, helping you achieve your financial goals!*

Erik Skovgard
recognized as "Shining Star" by ICBA

LSB's *Erik Skovgard* was named as an Independent Community Bankers of America (ICBA) Shining Star for his commitment to quality, ingenuity, integrity in business practices and service to the community.

Erik started with LSB as a college student when he accepted an internship through the University of Northern Iowa. After Erik completed his degrees in Finance and Spanish, he came to work full-time for LSB. He first served in the Information Technology, Accounting, Bank Operations and Marketing departments. Then he moved on to the role of LSB's first Sales Coordinator. Erik's true passion was financial services, which is where his expertise lies now. He is the President of LSB Financial, a subsidiary of Lincoln Savings Bank.

In addition to being selected as an ICBA Shining Star, Erik has been active in Iowa Independent Bankers Leaders of Tomorrow (LOT) program and joined the Board of Directors of Iowa Independent Bankers in 2005. He currently serves as liaison between LOT and the board as well as a member of the IIB PAC Committee.

Congratulations, Erik!

Time to Clean your Financial Records

Here are some suggestions that might help you organize your financial records.

Keep credit card receipts, ATM transactions, deposit and debit card receipts only until you verify the transaction on your monthly statements and then shred them.

Limit paper files by scanning some of your records and saving them to a CD.

Have a large box marked PERMANENT. These items might include: (A safe deposit box is another option.)

- Educational records
- Employment records
- Health records
- Retirement and Pension Plans

Label a second box CURRENT. Review these items every 3-6 years and decide whether to keep or shred them. Contents might include:

- Cancelled checks
- Bank statements
- Insurance policies
- Home purchase, repair and improvement records
- Warranties
- Income tax records

Lastly, start a file now for next year's income tax return!

Summer Travel Tips

Are you planning a trip? With recent debit and credit card fraud attempts, debit and credit card companies are taking extra precautions to make sure their customers are protected. If you plan to use any of your cards while on vacation, call the customer service number on the back of your card before hand. They will make a note on your account with the dates and destination of your trip. So, when you purchase a sombrero in Mexico or a t-shirt at the Amusement Park, your card won't be flagged. If your card is flagged with a hold on it, your card will likely be declined for future purchases. Safe travels this Summer!



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Please give us a call at 1-866-235-2098 if you are currently receiving more than one copy of the *Lincoln Address* so we can update our records. Thanks, **Crystal Buzza**



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As your community bank, we're here to serve you! If you have any questions regarding your banking or financial service needs please stop into any of our locations or call toll-free **800-588-7551**.



Send Us Your News

Has your business grown? Have you recently been able to reach a financial milestone? We want to know and share your story on how LSB helped you reach financial success. Just email your success story to Crystal Buzza at CrystalB@MyLSB.com. Or drop your story in the mail to her attention at *Lincoln Savings Bank, 242 Tower Park Drive, Waterloo, IA 50701*.

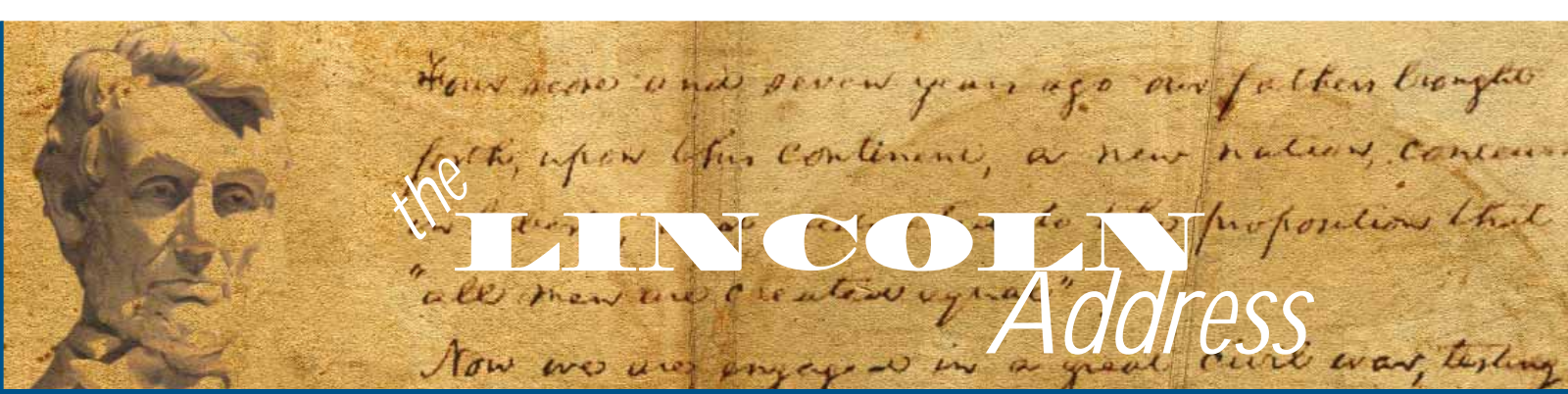
Location	City
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932 Parriott St.	Aplington
301 Washington St.	Cedar Falls
225 W. Viking Rd.	Cedar Falls
230 Main St.	Garwin
111 E. Traer	Greene
141 Eldora Rd.	Hudson
105 Main St.	Lincoln
121 Cedar St.	Nashua
508 Main St.	Reinbeck
214 W. 4th St.	Tama
242 Tower Park Dr.	Waterloo
LSB Financial, Petersen-Hill Insurance	
219 Main St.	Cedar Falls
CENTURY 21 LSB Real Estate	
116 W. Bremer Ave.	Waverly
111 Plaza Circle	Waterloo
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Summer 2008

The Zambezi Zinger



From Steve's Desk...

If you have ever ridden a roller coaster before or if you've abstained from riding and still gotten that queasy feeling in your stomach watching your loved ones ride, you know what bankers are feeling like through the recent credit market debacle. Not to be alone, I'm sure fixed income investors are also a little unsettled. The Federal Reserve's overnight rate to banks has plummeted three hundred points or 3% over the last six months and is poised to continue the downward trend through the balance of this year in all likelihood.

We all expect that what goes down usually goes back up - the question is when and how fast. Therein lies the problem for borrowers, investors, and bankers alike. Many economists and financial journalists don't see the underlying consumer strength to sustain a quick recovery from the **R-Word!** I have to agree with them - there is a heavy load of consumer debt out there for many who've maxed out their home equity loans and their plastic reserves. That's a large reason for the up-tick in bankruptcies in recent months. Where do you get relief when gasoline, food, and medical costs push the family budget beyond the limits and you've bought the most house you could afford in the past few years? Employers have been forced to hold the line on wage raises due to their own profitability concerns. **Car manufacturers take cover! Recovery may wait until 2010! Thus, the article title above!**

The good news *should be* that in Iowa, we have historically been more conservative than other states and we are generally somewhat insulated from the woes of the coastal

economies which have been growing astronomically from rapid population influx for many years. It's that old supply and demand axiom at work. Iowa hasn't had the strain of providing homes and apartments for annual double-digit population growth.

Still, I caution you to hold the Iowa legislature accountable for fiscal conservation! To say that I am appalled at the apparent budget shortfall that will occur this year despite a very strong revenue increase is an understatement! There is no good reason we can't balance the budget in Iowa without smoke and mirrors! Following winters like this past one, some roads may want for better upkeep. We can play catch up when milder winters occur! We may have to hold the line on most other expenditures. We can't allow government to be such a burden at a time when consumers are already to the breaking point!

Good farmers will tell you that land prices will self-adjust based on supply and demand and what you can generate per acre in net income. **So, too, we are going to see a painful adjustment in residential property values over the next year or more;** but, I doubt we'll see a "buyer's market" erupt given the degree home financing companies have retracted their lending programs. Congress and the regulators will keep them in conservative posture for some time to come. It's time to be very selective in how you manage your budget as a consumer / wage earner.

... *What goes down usually goes back up - the question is when and how fast.*

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