

***** Seniorresource.com E-zine *****
June 2004

SPONSORS OF THIS ISSUE

[Financial Freedom Senior Funding Corporation](#), a subsidiary of Lehman Brothers Bank, FSB, offers reverse mortgages for house rich/cash poor seniors, and as an instrument for estate planning for the wealthy.

This E-zine is FREE. [Get your own copy delivered once-a-month by subscription!](#)

CONTENTS

CONTENTS

- A. [Renting for Luxury](#)
- B. [Travel Plan Cautions](#)
- C. [The Evolution of Life Insurance: Viatical Settlements](#)
- D. [Say What You Mean](#)
- E. [Did You Know?](#)
- F. [Is There a Discount Drug Card in Your Future?](#)
- G. [Thought for the Day](#)
- H. [FREE](#)
- I. [Special Surfing Sites](#)
- J. [Oh My Aging Funny Bone](#)

Our present [Survey](#) is waiting for your input! Your privacy is respected. We don't capture your email or plant code in your computer. We receive only the answers you provide. It helps [seniorresource.com](#) and our clients serve you better by knowing "you" collectively!

A. RENTING FOR LUXURY

When we were young adults the goal was home ownership. A mortgage said you were serious about adulthood and your career was on track. Over the years, home plumbing jobs, self-paneling projects, honey-do-painting weekends may have given way to hiring out some home projects. The love of gardening became selective and someone else could cut the lawn, fertilize the grass and even prune the trees. You preferred to save your gardening weekends for the annuals, the flowering bushes and the herb and vegetable gardens. A woodworking hobby led to weekends with built-ins, but the new sound system for the big screen was left to outside experts.

With retirement, the freedom of choice for time allocation can lead to re-examination of selective chores. Increased hours may be spent gardening and doing home projects -- sometimes in a more extensive way than ever before. At least that is the image of retirement for some. For others the obligations home-ownership saddled them with look like a burden greater than the satisfaction from pride of ownership. They face retirement with financial wealth and a sense of who they are that no longer needs to be tied to the reassurance of a property deed. Portable possessions and a passel of life experiences are enough for some to feel fulfilled. Visions of their retirement may include moving back to city life with its theater, concert and museum culture, closeness to airports and good restaurants. Or it comes with the "greyhound bus" syndrome -- "leave the upkeep to us" -- and they prefer the lack of responsibility that comes with renting. With renting comes flexibility to pick up and travel for many months, or whenever they feel like it with a minimum of cares left at home.

J & B Properties of Bartlett, Illinois are managing townhome rentals in Huntley, Illinois a Chicago suburb. Huntley is best known to seniors as the home of Sun City -- originally a Del Webb 55+ community and one of the first Sun Citys Del Webb developed out of the sun belt. The overwhelming marketing draw of life in a "Sun City" is the amenities and choices that contribute to an option-rich lifestyle they offer. The Huntley townhomes are custom appointed with 2 bedrooms and den, 2-car garage, and fully equipped kitchens and "access to all lodge facilities, including pool, exercise room and tons of activities". All this and only an obligation to pay the rent each month (starting at \$1300) and call the "landlord" when the faucet leaks, the oven doesn't heat to the correct temperature and the snow piles up in drifts on the walk or driveway.

SunsetRidge Senior Townhomes in Minnetonka, Minnesota are one of a trend of inner- city loft living developments being offered as luxury rentals for seniors and soon-to-be- retirees. "Great rooms", high ceilings and an urban feel lend themselves to the lifestyle of empty-nester and childless couples. The higher density created in loft condos are great for mature suburbs and urban infill sites. The can offer convenience to inner city culture or employment for those who are not yet ready or willing to retire. SunsetRidge lofts are reminiscent of New York City loft space with flexibility to customize spaces to suit lifestyle. Luxury appointments include non-skid glass floors that allow light from the below to bring daylight to an upper floor. Who would have ever guessed there would be a market for high end, urban, senior rentals!

On the other hand, why not? There is benefit to society and seniors in higher density areas. Population density with homogeneous needs makes it feasible to provide services. Bringing services to rural, or even low-density suburban areas is costly and often impractical. It is realistic for bus service to function profitably if it can route itself to potentially serve hundreds of residents per mile traveled. It is the same with Meals- on-Wheels, home care providers, county social workers, medical or hospice services, location of hospitals, shopping and restaurants.

High end luxury rentals are gaining acceptance among seniors who want a different lifestyle option than they enjoyed during their child-rearing years. Complete with convenience, cultural access and a phone number to call when maintenance is needed.

Information for this article was provided in part by [Pointe Management and their luxury loft rentals in Minnetonka, MN](#) and [JB Properties' townhome rentals in Huntley\(Sun City\), IL](#)

Find more [age-restricted living options info.](#)

B. TRAVEL PLAN CAUTIONS

Planning to travel and want to be sure you have backup plans in the event credit cards or important documents are lost? Travel and Leisure Magazine suggests the following plan. Send yourself an e-mail with all your emergency contact data. Include credit card numbers, direct customer contact phone numbers. Don't identify the companies, just number them. Keep a list of which companies correspond to which number somewhere else in your travel gear.

We've been told many times not to carry our Social Security number in our wallet. That is one of the pieces that makes identity theft easier. But up until recently health insurance companies use your Social Security number as your member ID and of course you carry your health insurance card in your wallet - not just when you travel, but always. Make a photocopy of your insurance ID card, black out the Social Security/ member number. Carry the photocopy with you and keep the original safely at home. It helps if you know your SS number by heart so you can provide it should you need to receive medical care.

Still reluctant to make plans to travel because of the state of things around the world? Well take note of these facts shared in Conde Nast Traveler, Feb. 2003. They are based upon one-year historical odds for an average American and one year more (2003 to 2004) isn't going to change the odds much one way or the other.

Fatality due to:

Heart disease: 1 in 300

Cancer: 1 in 509

A car accident: 1 in 18,800

A fall: 1 in 20,700

Pedestrian accident: 1 in 45,200

Lightning: 1 in 4,260,000

Bus accident: 1 in 4,300,000

Train accident: 1 in 5,050,000

Airline accident (on US carriers) 1 in 8,450,000

Terrorist Attack: 1 in 9,270,000

More than half of the 348 terrorist attacks in 2001 were bombings on an oil pipeline in Columbia so if you don't travel to Columbia your chance of dying in a terrorist attack is cut in half.

And note that "people who reported taking no vacation for 5 years are at a much higher risk of heart disease" than those who took more frequent vacations.

Of course, generally speaking none of us is an "average Americans" in light of all of our exceptional characteristics and unique experiences, so plan to take vacations using your head and staying alert!

C. THE EVOLUTION OF LIFE INSURANCE: VIATICAL SETTLEMENTS

Sale of a life insurance policy to a third party can be done before the death of the insured. The owner of the life insurance policy sells the policy for a percentage of the death benefit or full value of the policy. The buyer becomes the new owner and/or beneficiary of the life insurance policy, pays all future premiums and collects the death benefit when the insured dies. This life insurance sale is called a "viatical settlement".

Since 1989 viatical settlements were marketed to insureds with a life-threatening illness who were seeking immediate cash. The cash could be used to pay for medical care, but that was not a requirement of the sale. These "settlements" became well known with the rise of HIV/AIDS and the cost of medications, treatments and cocktails which prolonged life.

More recently healthy persons have found reason to sell their life insurance policy to a company or individual that deals in viaticals in order to get cash. Sellers may be contacted directly by a potential buyer, or contact a viatical settlement broker. If a broker is used to find a buyer the broker earns a commission if the sale is completed.

The National Association of Insurance Commissioners and many state insurance departments

have concerns that consumers may be opting for viatical settlements even when these are not the right or best choice for them.

What percentage of the face value of the insurance you will receive in cash is dependent upon your life expectancy. The more payments the buyer is likely to have to make to keep the policy in force, and the longer he has to wait for the insurance payoff, the smaller the percentage you are going to receive. Here are some pointers if you are considering selling a life insurance policy.

First contact your state insurance department to find out more. Many states regulate viatical settlements. Then ask yourself the following: Do you still need life insurance protection?

- If you sell your policy, how do "they" decide how much cash you get?
- Is this an employer or other group policy? If so, do you need their permission to sell? Who will be the legal owner when you sell your policy?
- Should you seek the advice of a tax or estate planning advisor before you decide to sell the policy? How will the cash affect your estate now, and after you die?
- Will investors (buyers) have specific information about you, your family or your health status?

Is the broker or company you plan to sell to allowed to do business in your state?

- After you sell your policy, can it be resold by the buyer?

In Need Of Cash?

If you're selling your policy to get cash, check all your options. You may find another way of getting cash that costs less than a viatical settlement.

- Consult your financial and/or professional tax advisor; he knows your personal financial needs.

Find out the tax implications. Not all proceeds are tax free.

- Ask your insurance agent to find out if you have any cash value in your life insurance policy. You may be able to use the cash value to meet your immediate needs and keep your policy in force for your beneficiaries. You may also be able to use the cash value as security for a loan from a financial institution.
- Find out if your life insurance policy has an accelerated death benefits provision. An accelerated death benefit typically can pay some or all of the policy's death benefit before the insured dies. It may be a way for you to get cash from a policy without selling it to a third party.

The proceeds you receive from a viatical sale are subject to the claims of any creditors.

A cash settlement could make you ineligible for public assistance benefits such as food stamps or Medicaid you are receiving .

- Compare these answers to the same questions in relation to a reverse mortgage if you are eligible for one.
- You must provide certain medical and personal information.

Going To Proceed With A Viatical Settlement?

- Make sure the viatical settlement provider agrees to put your settlement proceeds in escrow with an independent party or financial institution during the transfer of money and policy.
- Find out if you have the right to change your mind about the viatical settlement after you receive the proceeds and for how long you have that right. Of course all money will have to be returned.
- Understand what information a viatical settlement provider must know about you in order to buy your policy, and who else might get that information.

Additional Notes:

- If contacted to buy insurance and immediately sell it discounted for cash, alert your state insurance department. It's possible you're being targeted to participate in fraud.
- If asked to invest in a pool or company buying viatical settlement(s), contact your state insurance department to learn about the issues and risks and know if this could be a scam.
- Life or senior settlements, which are newer instruments for claiming cash from insurance policies are less known, less understood and potentially far more dangerous.

[Iowa Insurance Division](#) and [Gerry H. Goldsholle, J.D.](#) are the source for this information.

D. SAY WHAT YOU MEAN

From [Charles Puchta of Aging America Resources Newsletter](#)

Have you heard the story of the wealthy grandfather who had been experiencing hearing loss for a number of years? It got to a point that he was practically deaf. One day his doctor fitted him with a hearing aid that enable him to hear again. A couple of weeks later he went back to the doctor for a recheck. The doctor asked how his family liked the fact he could hear again.

The grandfather responded that he hadn't told anyone about the hearing aid. He was just sitting around listening to everyone's conversations and that he has now changed his Will three times in the last two weeks.

Saying something behind a loved one's back that you wouldn't say to their face? Say what you mean. Mean what you say. Just don't say it mean.

E. DID YOU KNOW?

When health care providers in intensive care units and family members are counseled on ethics there is a reduction in futile end-of-life treatments. This is from research done at UCSD School of Medicine and published in the Sept. 3, 2003 Journal of the American Medical Association. Families, physicians and health professionals found the counseling helpful in solving treatment conflicts. With 60 percents of Americans dying in acute care hospitals, professionals influence the manner of dying. Ethics counseling seems to ease the conflicts and allow patients to be more comfortable in their last days, without seeming to effect the rate of mortality.

We've known for some time that our senses of hearing, touch, smell and sight dull as we as we age. That is why we were so interested in our sense of humor - a "sense" that improves with age (hence <http://www.seniorresource.com/jokes.htm>). Well now Ed Blonz author of "Focus on Nutrition" in the San Diego Union Tribune says that as we age our sense of thirst diminishes. This means that we need to consciously make an effort to drink at least 6 8-oz cups of water, or water-based liquids per day. If only we all had the "good sense" to know that alcohol based drinks, are not also water-based. Is that one more failing sense?

Many facial creams from moisturizers to sun damage repair creams, contain alpha hydroxy acids. These include glycolic acid, lactic acid, citric acid and malic acid. They work to improve texture and make skin firmer by thickening the collagen beneath. But unless you read all the ingredients in all the products you use, you have no idea how much alpha hydroxy acid you are applying. Now federal regulators are recommending a warning on all such products alerting consumers to the danger of sun sensitivity increases from use of such products. The warning could include the caution to be sure to use sun screens and avoid unnecessary sun exposure following the use of the acid- containing products. The acids are used in skin peels at higher concentrations than the 6-10% usually found in over-the-counter products. They are meant to strip dead cells from the skin's top layers. Retinol A, salicylic acid are similar chemicals that increase sensitivity to the sun.

F. IS THERE A DRUG DISCOUNT CARD IN YOUR FUTURE?

Starting June 1, 2004 those on Medicare (65+ and those who are disabled), as an interim measure, can get Medicare-approved discount drug cards which MAY save them money on the cost of medication. The cards will be usable until the new Medicare drug program (Medicare part D) goes into effect on January 1, 2006 (18 months from now). Medicare is now offering access to 30 approved discount drug cards.

Some are offered free of charge, others with a one-time \$30 fee. Differences between the cards boil down to:

- Their cost to obtain
- The size of discounts
- Which manufacturers' medications they discount
- Which drug chains in your area accept the card

There are no assurances that your present location for purchasing your medications with an independent providers discount card*, buying at Costco, or the like, buying mail order from outside the U.S. will not still be the better way of receiving the lowest purchase price for your meds. It can become quite complicated to buy Cozaar from the lowest-priced provider and buy Timolol and Fosamax somewhere else. But if you can keep track, and can give each pharmacy a list of ALL the meds you take, you may be able to save more money.

In an attempt to help clarify the best Medicare-approved card for your use, your specific medications in your specific neighborhood go to <http://www.Medicare.org> and scroll down until you see "Prescription Drug Program" on the left. Click on it. It will explain the way their interim drug discount cards works. It will guide you through putting in your zipcode and the list of all the prescription medications you take. The database will give you a recommendation regarding which card is LIKELY to provide the best savings IN YOUR CASE and which pharmacy in your zip code provides the lowest price when using the recommended card. This may NOT be the best card for your spouse or for your neighbor. Each Medicare recipient may only have one approved Medicare discount drug card.

Medicare anticipates that there will be savings of 10-25% per prescription if the "ideal" card is used at the "ideal" pharmacy. The results will differ per individual because of location, medications and dosages. This interim plan in no way will reflect what Medicare Part D 2006 will offer.

Medicare recipients with Medigap or Medicare supplemental insurance plan H, I, or J already have drug coverage. You will probably not see any additional benefit with an interim Medicare discount drug card. If you have another program under a Medicare supplemental insurance company, you may be offered their own card. If they do, you may not also apply for another Medicare drug discount card. You may have an independent discount card*.

If you are in a state Medicaid program for those with low income WITH drug coverage, you will not be able to get a Medicare approved discount drug card. If your income is low and you DO NOT presently have drug coverage you may be eligible for a discount card with \$600 of credit, as of June 1, 2004. If you are in the same situation on January 1, 2005 you could be eligible for another \$600 for 2005 purchases. To learn more about eligibility for the \$600 credit on the drug discount card go to <http://www.Medicare.org> and scroll down until you see "Prescription Drug Program" on the left. Click on it. If you cannot follow the information clearly or want to discuss what you learn with a Medicare employee, call 1.800.633.4227.

The interim discount drug cards will not be usable after December 2005 when the even more confusing drug coverage begins. (As January 2006 approaches we will do our best to clarify the changes coming up and how they could affect you.)

* Examples of independent discount drug card(s) can be found in your state through <http://www.seniorresource.com/states.htm>. *****

No discussion of the interim drug discount program passed by congress is complete without looking at the growing number of counties, cities, states and individuals are looking at the lower rates possible buying drugs from Canada (or Mexico, Israel, etc.) In spite of the congressional ban on the practice, Illinois, Iowa, Minnesota, Wisconsin, Massachusetts, New Hampshire, the Cities of Boston and Springfield MA, Burlington VT, NYC are violating, or considering violating, that ban. Yes we all want to be assured that our drugs, bought from abroad or domestically, are safe, but there may be some way to provide those assurances.

In an attempt to help seniors think through the options, perhaps it is necessary to raise some questions. The following reached our email box and asks questions to which seniors might want answers.

A powerful lobby was the subject and the lead in was "It looks ridiculous in print".

A car company can move its factories to Mexico and claim it's a free market.

A toy company can outsource to a Chinese subcontractor and claim it's a free market.

A major bank can incorporate in Bermuda to avoid taxes and claim it's a free market.

We can buy HP Printers made in Mexico.

We can buy shirts made in Bangladesh.

We can purchase almost anything we want from many different countries --

BUT, heaven help the elderly who dare to buy their prescription drugs from a Canadian (Or Mexican) pharmacy. That's called un-American!

And you think the pharmaceutical companies don't have a powerful lobby?

Think again!

G. THOUGHT FOR THE DAY

"Life is not a journey to the grave with the intention of arriving safely in a pretty and well preserved body, but rather to skid in broadside, thoroughly used up. Totally worn out and loudly proclaiming 'Wow what a ride!'"

H. FREE

We are still offering "independent" drug savings cards to our subscribers. In some cases they provide a larger discount than a Medicare card, and are not age- or Medicare-eligible restricted. Access listings in your state by clicking on <http://www.seniorresource.com/states.htm> , clicking on your state and then on Drug Savings Programs.

I. SPECIAL SURFING SITES

<http://www.ASAAPS.org> is the American Society of Adult Abuse Professionals and Survivors' site with information to help with understanding the many types of adult- abuse, how to recognize it as a professional, a relative, or a neighbor.

J. OH MY AGING FUNNY BONE

A woman's husband dies. He had \$20,000 to his name. After everything is done at the funeral home and cemetery, she tells her closest friend that there is no money left.

The friend says, "How can that be? You told me he had \$20,000 a few days before he died. How in the world could you be broke already?"

The widow says, "Well, the funeral cost me \$6,500. And of course, I had to make the obligatory donation for the church and the organist and all. That was \$500 and I spent another \$500 for the wake, food and drinks. The rest went for the memorial stone."

The friend says, "\$12,500 for the memorial stone? My God, how big was it?"

The widow holds up her hand, saying, "Only three carats..."

Sent to jokes@seniorresource.com by G. Schwartzman

Please note: if you fill out an interactive form you are leaving behind a trail that could result in unsolicited email, unless it's a reputable site and says it will not share your email or information without permission. WE DO NOT SELL YOUR INFORMATION!

Subscribe a friend to this monthly E-zine at <http://www.seniorresource.com/ezine>

SPONSORS INFORMATION

[Financial Freedom Senior Funding](#) , a Subsidiary of Lehman Brothers Bank, FSB, is solely responsible for information provided herein and on their site.

Copyright 2004 seniorresource.com, LLC ALL RIGHTS RESERVED. Information in this document is subject to change without notice. Other products, service and companies named herein are trademarks or registered trademarks of their respective companies or mark holders and solely responsible for the content of their articles. Their articles are included for informational purposes only.

**This Copyright E-zine may be forwarded to others only if sent in its entirety. Other uses are subject to written permission of the publisher seniorresource.com, LLC
858.793.7901
Toll free: 877.793.7901
ezine@seniorresource.com**