



OPTIMUM EXPERIENCE

NEWSLETTER FOR CANANDAIGUA NATIONAL BANK & TRUST OPTIMUM CHECKING CUSTOMERS



The CLASS ACT

by Susan Suben

Susan Suben is the Long Term Care Insurance Consultant for Canandaigua National Bank & Trust. For information, please call (800) 422-2655 or sdsuben@tcny.rr.com.

The Community Assistance, Services and Supports Act, a provision in the Health Reform Bill, is receiving a lot of buzz from both the insurance industry and general public.

Spokespersons from the insurance industry have commented that the most positive aspect of CLASS is that it will make the public aware of the importance of long-term care planning as part of responsible retirement planning. Yet, there is also a deep concern that CLASS will lull individuals into a false sense of security.

Many individuals are now questioning the need to purchase private long-term care insurance thinking that CLASS is an entitlement program that will protect them from the consequences of a long-term illness.

Following are some of the key aspects of the program:

- CLASS will establish a national insurance program financed by voluntary premium payments collected through payroll deductions.
- Individuals 18 years or older will be automatically enrolled unless they opt out.
- To qualify for benefits, individuals must earn a certain amount of wages and contribute monthly premiums to the program for at least five years.
- Individuals will receive a cash benefit based on their disability averaging no less than \$50 or no more than \$100 per day.
- According to the Chief Actuary of the Centers for Medicare and Medicaid, the average monthly premium should be \$240 in order for the program to remain solvent.

Will this program be realistically beneficial?

- If an individual is no longer working, they may not be able to participate in the program because premiums are collected as a payroll deduction.
- CLASS may not pay for assisted living or nursing home care but be limited to home care.
- The five year premium payment requirement in order to be eligible for benefits may exclude younger workers who are in an accident or need care due to an illness.
- If one lapses his/her premium payments or opts out of the program, there are severe penalties. If the policy lapses for more than 90 days, there is a 2 year deferral requirement. Individuals would have to pay for the first 24 months of their care before CLASS can reimburse them.
- If an individual opts out of the program and then decides to opt-in, "the premium rate increase can be as high as 250% on each payment", according to Stephen D. Forman, senior vice president of Long Term Care Associates in Bellevue, Washington.
- If a disabled individual does not use their full allotted benefits for the year, the balance can be recouped by the government.

Now compare long-term care features offered by CLASS to those offered by private long-term care insurance:

- The waiting period to receive benefits, in most instances, ranges from 0 days to 100 days.
- The daily benefit can range from \$50/day to \$500/day.
- Adult day care, assisted living and nursing home care are reimbursed.
- You don't lose your benefits, if you don't use them.
- Premiums can be paid through an employer or privately.
- There is a 20% NYS tax credit on the premiums.

There is no doubt that CLASS will raise awareness for the need to plan for long-term care. But with so many restrictions and penalties, it makes one wonder how beneficial the benefits will be. If you want flexible, comprehensive coverage, private long-term care insurance is still the better option.

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Come picnic with us!

Join us for food, fun, and entertainment on the beautiful grounds of Granger Homestead. While there, you can explore the homestead, visit the Carriage Museum, and stroll the grounds.



CNB Optimum Club Picnic
Granger Homestead
295 N. Main St., Canandaigua
Wednesday, August 18, 2010

RSVP by August 13, 2010
585-394-4260 ext: 0
(Limit 2 tickets per household)

Managing your Credit

By Kari Carlotta
Personal Banker
585-394-4260 ext: 40133
KCarlotta@cnbank.com



Did you know that the average American household has approximately \$7400 in credit card debt?*

This trend is causing some people to have trouble getting financed for things that they really need, such as a car or home.

How is your credit score determined?

- Payment history
- Your outstanding balances
- The length of your credit history
- New credit (recently opened accounts)
- The type of credit you have outstanding

What can you do to improve your credit score?

- Make sure you are paying your bills on time.
- Keep balances low on revolving credit lines, such as credit cards.
- Work on paying off your debt, starting with the highest interest rates first.

If you find yourself in this situation or a similar situation, you should:

- Create a budget. List all of your household income and expenses, use averages for non-fixed expenses. Be honest with yourself, if you don't use accurate figures, the budget will not be helpful.
- Set realistic goals for yourself. ex: This will be paid off by January 1st. I will do this by paying \$ a month, week, etc...
- Build a liquidity fund for yourself. The fund should have 3-6 months worth of expenses. The account should be liquid and safe, ex: savings and/or short term CD's.

There is no doubt that this can be a difficult situation. However, by educating yourself on how to improve, focusing on your goals and sticking with your plan, you will be able to rectify the problem and be in a better financial situation. As Optimum Customers, you can take advantage of the knowledge and services offered to you through your Personal Banking Team.

*From www.indexcreditcards.com/creditcarddebt/. Dated 2/9/10

Achieve your long-term goals with time-tested investment principles.

Canandaigua National Trust Company of Florida is proud to provide a suite of services that's tailored to your wealth management needs—including trusts, estates, investment management accounts, and IRAs—specifically designed to enhance your financial well-being.

Our investment management philosophy involves a process of disciplined, personalized investment that's focused on your needs, and is consistent with the conservative principles we've employed for more than 120 years. It's designed to not only grow your assets, but also keep them secure over shifting economic cycles.

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Florida



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2011 Travel Destinations: What do you think?

In keeping with our 20-plus-year tradition of offering escorted travel for our Canandaigua National Bank & Trust customers, we would like your input as to those destinations you would like to visit starting in 2011.

The following is a partial list of destinations that have been suggested. Please circle those of interest:

Caribbean Cruise	Toronto
Alaska Cruise	All-inclusive trips
Napa Valley/Wine Cruise	Local musical productions
Mediterranean Cruise	Disney World

Italy	Boston
Greece	San Diego
Paris	Chicago
London	Hawaii

What other destinations would you be interested in visiting?

How many days would you like your trip to be?

Understanding that value means something different to everyone, please help us understand your price expectations (per person) for a seven-day, six-night trip:

**Return completed survey
by July 16 to:**

Lindsay Morrow-Lilly

72 South Main Street

Canandaigua, NY 14424

e-mail: CNBTrips@cnbank.com

fax: 585-394-4001

