



BRUNING BANK

SUMMER 2024

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Magic Bank Account - "TIME"

As we get older and some think wiser, most people are blessed with health and good things going on in their life. It seems as if days, weeks, years, and birthdays seem to go by faster each year. How we spend those years is up to us as we never know when our time is up. I found an article called "Magic Bank Account"; it puts life a little more into perspective. Here is a part of the article I read, hopefully you will enjoy it as much as I did.



FRED D. BRUNING

The idea was found in the billfold of Coach Paul Bear Bryant after he passed in 1982. Imagine you had won the following "prize" in a contest: Each morning your bank would deposit \$86,400 in your private account for your use. However, this prize has rules:

1. Everything that you didn't spend during each day would be taken away from you.
2. You may not simply transfer the money into some other account.
3. You may only spend it.
4. Each morning upon awakening the bank opens your account with another \$86,400 for that day.
5. The bank ends the game without warning at any time it can say, "game over!"

What would you personally do with this game? Would you buy anything and everything you ever wanted? Not only for yourself but people you love and care for. Even for people you don't know because you couldn't possibly spend it all on yourself.

This game is real, each of us is already a winner of this "prize", we just don't always see it. The "prize" is TIME.

1. Each morning, we awaken to receive 86,400 seconds as a gift of life.
2. And when we go to sleep at night, any remaining time is not credited to us.
3. What we haven't used up that day is forever lost.
4. Yesterday is forever gone.
5. Each morning the account is refilled, but the bank can dissolve your account at any time without warning.

What will you do with your 86,400 seconds?

This article made me think about the precious seconds of the gift of time are more important than the dollars. Remember to enjoy life, as we all know it goes by quickly.

-Fred D. Bruning, Chief Executive Officer

"The two most powerful warriors are patience and time."

- Leo Tolstoy, *War and Peace* -

Jerry's Journal



JERRY CATLETT

In my last article, I listed the next three articles by subject matter that I would cover in 2024. In this edition I'll highlight our strategic and tactical planning process and structure.

I've been involved in banking for most of my working life, and it has been a rewarding career. Just like anything else, it has its highs and lows. As we are in spring and summer when you'll be reading this, I'll compare us to baseball and how they gauge success, staying a few games above 500 and as close to the top of the division as you can be. So, being a lifelong Royals fan, above 500 is rare air indeed.

Our efforts in planning for the future are somewhere north of the baseball .500 analogy, however, I will be the first to admit that we, just as in baseball, don't always get the execution (pitching, fielding, and batting statistical ratios) where we want them, meaning the results we aspired to reach. Yes, we've struck out at the plate a few times. Very happy to say our success rate is much higher than a .350-batting average. For you non-baseball fans a .350 average is an excellent batting average. We are not 1,000 hitters either, but closer to that than .350!

Our crystal ball is just as fuzzy as anyone else's, given that we must make assumptions into the future, while looking back in the planning process. Our planning process is pretty basic. When we gather input from our stakeholders (customers, staff, owners, industry trade groups, bank regulatory agencies) we look for the highest priorities in the following four areas:

Strengths (S) / Challenges (C) (weaknesses was the old adage) / Opportunities (O) /Threats (T)

SCOT for short. We narrow down to the top five topics in each and begin developing a plan on how best to deal with each. For each of the top SCOT factors, I'll share the topic that was rated at the top.

Strengths– high quality loan portfolio.

Challenges – increasing geography of the bank locations.

Opportunities – Continue to grow our Wealth Management, Insurance and Mortgage departments to better help “Build and Maintain Wealth”.

Threats - This was a tie, cybersecurity attacks and rapid and unforeseen changes in the economy.

Our great team of people is super engaged in finding solutions and offering ideas to best fill our gaps. We have very innovative and super smart people working on some complex issues. We try to put our strengths to the highest and best use, our challenges we spend a lot of time on how to solve and improve upon, opportunities try to maximize as soon as possible, threats we work on how to best mitigate and train to protect the bank.

As you know with anything, follow-up and execution of the plans and projects we put together are key.

Back to baseball, we swing and miss in that area. For the bank, I hope I'll be able to write about how we hit it out of the park before the end of my career!

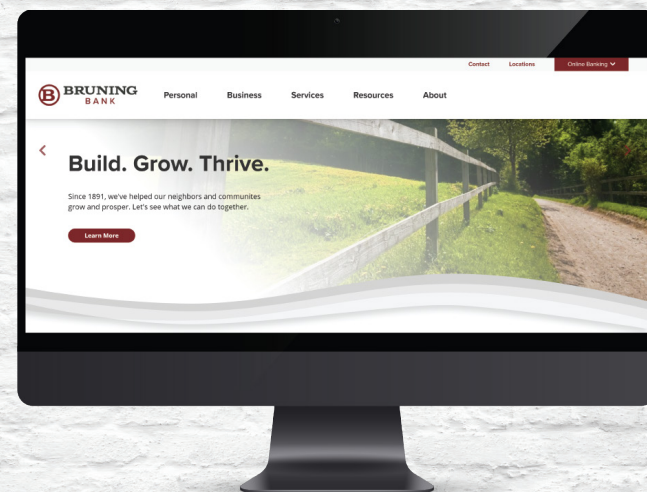
- Jerry Catlett, President, COO

COMING SOON: New Bruning Bank Website

Keep an eye out for our new Bruning Bank website! Same URL, new look!

We will let you know when the new site is live via Facebook. If you haven't followed us yet- give us a follow at Bruning Bank!

Visit us at bruningbank.com!



Take Time For a Pre-Summer Check-up



Summertime is a busy time for many. More sunshine means more daylight and increased temps to enjoy outdoor activities. But as we're outdoors enjoying more sunshine comes the risk of too much exposure to the sun. May 20, 2011 – I'll never forget that date. I was sitting in the oncologist's office with my wife, Rachel. The melanoma skin cancer

removed from her ear three years earlier had metastasized to a brain tumor. I remember the doctor saying, “there is no cure”. By the grace of God and the hands of some great physicians and nurses, Rachel was able to undergo successful radiation treatment that has continued to keep her in remission. According to the Melanoma Research Foundation, Melanoma claims the lives of 8,290 Americans every year. Melanoma is also the leading cause

of cancer death for young women ages 25-30, and second leading cause of cancer death in women ages 30-35. Although Melanoma is one of the more deadly cancers, it is also one that is more preventable. Early detection is the key. Nine out of ten cases are considered to be preventable. Before you get busy with summer sports, watersports, golf, or other outdoor activities, consider getting screened for skin cancer by a healthcare provider. Avoid overexposure to the sun, wear sunscreen and a hat.

It's also a great time for a financial checkup. Review your accounts to ensure accuracy of titling and ownership. Do you have the correct beneficiaries? Is there a new child or grandchild to add as a beneficiary? Have you recently created a trust and need to update your accounts? Take time to review your estate plan or business succession plan with your legal counsel, tax advisor, and your financial planning professional. Taking time to address these items now can save you and your family a lot of stress in the future.

- Dave Richardson, President- Grand Island (NMLS #445892)

BEST BANKS TO WORK FOR RECIPIENT

It is a great honor for us to announce that Bruning Bank has been named by American Banker as a 2023 Best Bank to Work For! We are extremely grateful to be recognized with this award and for our employees who make our success possible!
Bruning Bank is ranked #12 this year!

AMERICAN BANKER

2023 Best Banks
to Work For

Strategic Planning and Our Customers



Several organizations, including the banking industry, take on the task of Strategic Planning. Strategic Planning is used to set priorities and strengthen operations. The implementation of strategic planning can help an organization continue to grow, be successful, and position itself for the future.

Our bank is recently going through strategic planning meetings. The committee I'm helping with is “Growth”. You can grow a bank's balance sheet in several ways. But the number one way to accomplish this is within the bank's existing customer base. Bruning Bank has a great customer

base that has been built on relationships between the customer and our employees.

Over the next several months, Bruning Bank will be identifying our customers that have one banking product relationship with us. We would like to see if we can expand our banking relationship with you. Maybe someone in your household is looking to make a capital purchase such as a home or farm, a deposit account for another family member, or maybe you are at the age of retirement and need to rollover your 401(k) into an IRA. We want the opportunity to talk to you to see if you have any current or future banking needs that we could help with.

With Strategic Planning, one thing's for sure; the bank's success is in direct relationship to our customer's success and our bank wants to be a part of your success!

-Jim Scott, President- Broken Bow (NMLS #474133)

The Cost of Fraud and How to Safeguard Yourself



Fraud, in its many forms, exacts a heavy toll on individuals and society. Phone scams, phishing emails, and deceptive texts are just a few of the tactics employed by fraudsters to part us from our hard-earned money and sensitive information. According to the U.S. Spam & Scam Report, phone fraud affected 68.4 million Americans in 2022, with a median loss of \$1,400

per person. These criminals often target older adults, assuming they're less tech-savvy. However, everyone is susceptible, even the most astute individuals. So, how can you protect yourself?

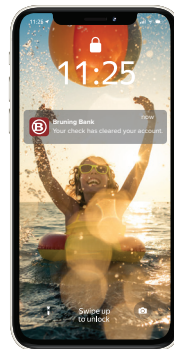
1. Stay Informed: Familiarize yourself with common scams—such as text messages claiming issues with your Amazon or bank account—and be cautious when receiving unsolicited communications. Remember, legitimate organizations won't ask for sensitive details via text or email.

2. Verify Directly: If you receive a suspicious message, don't click any links. Instead, contact the organization directly using official contact information. Trust your instincts; if something feels off, verify before taking action. Remember, you're not alone—many have fallen victim to these cunning frauds.

Remember, vigilance is your best defense against fraud. By staying informed and verifying information, you can safeguard your finances and personal data from unscrupulous scammers.

- Andy Hill, Chief Information Officer

GET NOTIFIED



Fight Mail Theft and Check Fraud and set up alerts for the checks you write!

Set up alerts on your Bruning Bank Online Banking and Notifi will take care of the rest!

Mark Your Calendar

JUNE:

- **14** - Father's Day Treats- All Locations
- **15** - National Elder Abuse Day
- Older Americans lose an estimated \$2.9 billion to \$36.5 billion each year from financial abuse. Use our Online Banking tools to review your finances at any time.
- **14-15** - Swedish Days- Holdrege
- **19** - CLOSED in honor of Juneteenth Freedom Day
- **28** - National Insurance Awareness Day
- The agents at Bruning Insurance Agency are available to review your coverage and provide a free quote! Give our agents a call at 402.353.2085 to get started!

JULY:

- **4** - CLOSED in honor of Independence Day
- **26 - 28** - Bruning Days

AUGUST:

- **21** - National Senior Citizen's Day
- **BACK TO SCHOOL** - Visit us before the busy school year begins and take advantage of our financial services such as Premier Checking and earn interest on your checking account! Don't forget to take Bruning Bank with you with our Bruning Bank Mobile App where you can access your accounts anytime and anywhere!

I Steal Candy From My Children



I steal candy from my kids. There, I said it. Sometimes I eat it myself. Maybe we should start a support group for parents in possession of kid's candy. I don't believe we should take candy away from kids all together. I just think it needs to be rationed. Also, I think I need to eat all the peanut butter cups, it is called the "Dad Tax".

I know people that do the 'no sugar' diet for their kids and I applaud them for their efforts. I do not think sugar is good for you and may contribute to health problems. But kids will be exposed to it, and it can become the 'forbidden fruit'. European countries have lower drinking ages and can argue they have less alcoholism. So how does one regulate all the holidays where kids get a grocery bag full of glucose? I can tell you how we deal with it and why I am still eating heart shaped chocolate from 2023, don't judge me please.

Kids need rewards for things. I will admit I am far from the best parent. My cousin told me once that while it's not the healthiest of foods, McDonalds is bribery for good behavior. I do not live close to McDonalds, I wish I did, so we must rely on candy. During Halloween, Christmas, Valentine's Day, and Easter, we gather the candy and let them have a few during the initial event. Then when they nap or go to bed at night, we bag it up and hide it. Out of sight and out of mind- we only bring it up when we need them to do something or encourage good behavior. Having 3-year-old twin girls that are sassy and getting smarter, the only advantage we have sometimes is, "If you take a little nap, go potty, or have no 'time outs' at school you can have a piece of candy later." It is Kiddy Currency that works every time.

Binging on the initial bulk of candy received does not create a good attitude or lesson. I know if the girls are left unsupervised with candy, they will act differently. They think they can have the

sugar access whenever they want and become demanding: 'There was a bowl of candy there for our enjoyment and now you are saying we cannot have any more?' They are more grateful if they get a piece of candy when they ask politely and say thank you to the provider. It creates an attitude of gratitude rather than a sense of entitlement.

Delayed gratification is also a lesson here. 'You can have candy now, or we can enjoy it tonight when we watch a movie.' This gets the kids to really think about how they want to enjoy their candy. They love to watch movies, which is a blessing to me because I do too. They understand that if they save some candy, it will be more fun to eat M&Ms with popcorn and watch the movie 'Frozen' for the 81st time. I would like to watch something else, but I just "Let it Go."

These are things that I hope to teach them as a banker- to save their money. You can work the summers and spend all your money at the fair, or you can save it and use it during the school year. Sometimes you get a decent tax return, and you want to buy the best new shiny thing, or you can put it in a savings account for a rainy day. Then there is the investment and retirement conversation. Put your money away early and compound the interest. You can enjoy it more when you retire. Basically, you use the money to buy candy for your grandkids and the cycle starts over.

This summer will come with its parades down the streets. Strangers throw candy at children, enticing them to walk out into oncoming traffic. It is what makes small towns fun. But have you noticed how much candy these kids get now? Hopefully we can get a hold of it when they get home. After they have drilled through all the Frooties and Tootsie Rolls that melt in the sun and make everything they touch sticky and stash it in the bribery bank of mom and dad. Children are sweet and innocent blessings, and I am very thankful for mine. But the candy makes them crazy.

- Adam Frank Bruning, Loan Officer

Do You Have a Savings Plan For Retirement?



I was intrigued by an article I read the other day that stated that 2 in 5 retirees have no retirement savings and the average amount adults have saved is just \$88,000, which is a \$10,000 drop from 2021.

When asked, "How much do feel you will need to retire?"

• **Gen Z (Born between 1996 and 2021)** had the highest expectations for what they would need at \$1.63 million and had saved \$22,800.

• **Millennials (Born between 1981 and 1985)** said they will need \$1.6 million compared to their average savings of \$62,600.

• **Gen X (Born between 1965 and 1980)** estimated they

would need \$1.56 million and had only saved \$108,600 on average.

• **Baby Boomers (Born between 1955 and 1964)** had the smallest gap between their expectations and reality, estimating they would need \$990,000 while their average savings were \$120,300.

Do we have a looming retirement crisis?

I certainly hope not and if you feel that you are not saving enough for retirement and would like to know and do more, we may be able to help.

Bruning Bank has a very capable Wealth Management service that can help you decide what you may need for retirement and how to get there. Be sure to stop by or call one of our Bruning Bank locations and set up an appointment soon!

- Todd Clabaugh, President-Kearney



KATHY ROBERTS



KRISTEN MONTEFORTE



ALLISA WALLER-SWANSON



DANI DUNKER

Insurance Claim OR Maintenance

You change the oil and check fluid levels in your car every 3,000-5,000 miles; rotate your tires periodically and replace them every 60,000-75,000 miles; change your starter if it goes out; replace a headlight when it doesn't work; and you have an oil or radiator leak fixed. These are all examples of automobile maintenance. You would not expect your auto insurance policy to provide coverage to service, repair, or replace these items.

Home insurance, like auto insurance, is not meant to cover maintenance items. Home insurance is designed to provide coverage for more catastrophic events - such as fires, wind & hail, or tornado-events that cause major damage to your property. Maintenance is work that you must do to keep your home livable and in good condition- Painting; cleaning the gutters; winterizing exterior water pipes; replacing old windows that no longer function properly; applying new caulking around windows and vents etc.; servicing your furnace, AC, and other appliances; replacing your roof when it has reached the end of its life; etc.

We are trying to encourage our customers to re-think turning in every claim. Lots of smaller claims can add up quickly and soon you are no longer a profitable customer for the insurance company. You're probably thinking that you pay insurance premiums, so the company should pay all your claims. You need to keep in mind that insurance companies are a business. Would you stay in business if you were losing

money year after year? Insurance companies do have reserves and purchase reinsurance to cover their insurance claims/losses. However, the total number of claims and the amount paid on each claim has continued to increase over the past five years and unfortunately, most insurance companies have NOT been making a profit.

Let's consider your roof. Most shingles have at least a 30-year life expectancy. Have you ever replaced your roof without filing a claim with your insurance company? Should you report a claim even if the hail is only pea-sized and there wasn't a lot of wind driving the hail? We suggest waiting to report a claim because, most likely, this hail isn't going to cause enough damage to merit replacement. Consider the savings to the insurance companies and less shingles in our landfills if you get another 5-10 years out of a roof with very minor hail damage.

Hopefully, if we all work together, we can eventually get the cost of building materials AND the cost of insurance to go down, but this will never happen if insurance companies are expected to replace roofs/siding/windows that still have a lot of good functioning years left.

Insurance costs and deductibles is not a fun subject, so PLEASE give us a call with any questions. We would like to review your coverage and make sure you have the coverage you need and that you are getting any available discounts.

We DO appreciate your business and look forward to working with you!

Fraud Alert!

Fraud is a huge problem, and it is getting worse. Therefore, we want to remind everyone to watch closely for any Medicare and health insurance fraud.

Fraudsters are stealing and misusing Medicare numbers, Medicare claim cards, and health insurance cards. They are using these numbers to bill Medicare and/or insurance companies for services that were not provided or needed, and they may also be charging twice for the same service etc.

This type of identity theft/fraud may not affect your personal finances immediately. However, these fraudulent charges ARE causing unnecessary costs to Medicare and insurance companies, resulting in higher premiums to you for Medicare and health insurance coverage.

We recently reported Medicare fraud for an individual with fraudulent charges in excess of \$18,000, on just ONE benefit summary!

MAKE SURE YOU CHECK THE BENEFIT SUMMARIES CLOSELY TO BE SURE ALL CHARGES/SERVICES BELONG TO YOU. Look for doctor names and providers that you don't recognize and watch for charges for any medical supplies that you do not use and did not receive.

If you suspect fraud, PLEASE call the customer service number on the back of your insurance card to report the fraudulent charges. If Medicare fraud is involved, then please call 1-800-MEDICARE (1-800-633-4227) or go online to report the fraudulent activity.

We will be happy to assist you, so please give us a call with any questions.

Not FDIC Insured. Not a guarantee of the Bank. Not a deposit of the Bank. Not insured by any federal government agency. May go down in value. Not affiliated with or endorsed by the government or Federal Medicare Program.

Springtime Household Maintenance Checklist

- Inspect roof for missing shingles and leaks
- Clean out leaves and debris from gutters
- Trim Trees
- Change furnace/air conditioner filter
- Have furnace/air conditioner serviced
- Vacuum lint from dryer vent
- Inspect caulk and weather stripping around windows and doors- repair or replace as needed
- Inspect sink, shower and bath caulking- repair or replace as needed
- Clean faucet and shower heads to remove mineral deposits
- Make sure sump pump is in working order
- Power wash or weather treat deck and/or wood outdoor furniture
- Clean debris out of window wells and away from foundation vents
- Change batteries in smoke and carbon monoxide detectors

- Kathy, Kristen, Allisa, & Dani
Bruning Insurance Agency



Crop Insurance

STORM SEASON



What does mother nature have in store for us in 2024? High wind warnings? Well, isn't that just another normal day in Kansas and Nebraska? Severe thunderstorm and tornado season is here again with increased chances of very strong winds, tornadoes, and damaging hail.

Will this be a dry year with a high risk of fires getting out of control?

- Multi-peril crop insurance covers damage from fires caused by mother nature.
- Crop hail insurance includes coverage for fire damage from other causes (combine fire etc.). The total for fire/hail coverage is the total dollar per acre coverage listed on your policy.
- Fire only coverage is available for \$.15 per \$100 of coverage.

Do you have adequate multi-peril crop and crop-hail coverage to provide for lost income if you lose your crop?

We know this is a very busy time of year, but please take the time to look at your crop insurance coverage. Make sure you have the protection you need!

Multi-Peril Crop Insurance Reminders

Final Planting Dates for most of our area counties in Nebraska & Kansas

Corn:	May 25th (Both NE & KS)
Grain Sorghum:	June 15th (NE) June 25th (KS)
Soybean:	June 15th (NE) June 20th (KS)

Acreage Reporting Deadline (Oats & Row Crops)

Report acres & plant dates by July 15th

Wheat Premium Due:

July 1st (interest will start accruing on August 1st)

Losses:

Think you may have a loss? Remember to contact us RIGHT AWAY! Contact us before you replant, before you chop for silage, and before you destroy any crops.

Electronic Deposit – claim checks:

Consider signing up for electronic deposit for your claim payments. You will receive your claim payment quicker with no mail time delays. You will also eliminate the risk of the check getting lost in the mail or possibly being intercepted by a fraudulent individual. Let us know if you're interested in this great option!

Thank you to all our farmers for all that you do! We are always ready to assist you with ALL your crop insurance needs! Give us a call or stop by our office today!

Your Crop Insurance Agents
- Kathy & Jeff

Not FDIC Insured. Not a guarantee of the Bank. Not a deposit of the Bank. Not insured by any federal government agency. May go down in value.

The Aftermath of Escrow Analysis



Springtime is full of excitement and the anticipation of beautiful weather. But it is also a time of great stress and confusion. This is what escrow analysis causes!

For those of you who have a mortgage loan and escrow for your taxes and insurance, you might be familiar with a document that gets sent to you in mid-March of each

year by your mortgage lender. The escrow analysis form breaks down what your taxes and insurance activity did over the prior year and what each is anticipated to do for the upcoming year. If you are not familiar with this document, it could be for one of two reasons. (1) You do not currently escrow taxes and insurance through your mortgage, but rather handle the payment of these items on your own; or (2) You don't look at mail from your mortgage lender. 😊

The escrow analysis period is a great reminder for you, as the homeowner, to review the information associated with your home. Although there is really nothing you can do to change the real estate taxes associated with your property, it is good to understand why the real estate taxes are changing.

Escrow analysis also shows the changes to your insurance premium. Although you may not have changed the coverage on your home, insurance premiums change each year and usually not in the direction you want them to. Increases were especially evident this year for several reasons. One reason is inflation. Everything seems to be more expensive this year! But another reason for the increase is insurance companies are playing catch-up after two years of big losses in multiple areas. The cost of fixing or replacing damaged homes has jumped dramatically due to the rise of labor and material prices.

Escrow analysis can be very confusing. The change in payment can be confusing. And the documents can be hard to understand. If you have an escrow analysis document that you are struggling to understand, please reach out to a Bruning Bank Mortgage Loan Officer for help deciphering the information. We would be happy to help you understand this information regardless of who your mortgage lender is.

-Janice Nozicka, Mortgage Loan Officer (NMLS #474132)

Get prequalified online!
Visit bruningbank.com to get started!

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Three Financial Tools for Navigating the '24 Crop Year



As a producer in a time of extreme market volatility, high interest rates, rising costs due to inflation, and the threat of war at every turn, it is hard to feel anything but helpless. Below are three tools you can use to help you navigate the ups and downs of the 2024 growing season.

Breakeven

Establishing your breakeven or cost of production early in the growing year is vital in being able to make sound marketing, purchasing, and management decisions. Breakeven in its simplest form is total cost/estimated yield = Breakeven price. Breakeven price should be down to the cent and not rounded off to the nearest half or quarter dollar.

The more real time and historical data you can use in calculating your breakeven, the better information you will have when it comes to making financial decisions in 2024. Expenses that are often overlooked in the breakeven price are family living and depreciation. Breaking down the cost of production PER field (enterprises analysis) will prove useful throughout the year as conditions change in certain areas (i.e. drought, storms, timely rains) and help you adjust both your total cost and estimated yield throughout the season. Recalculating your breakeven monthly is best practice to keep up with ever changing conditions in the weather, grain markets, and cost of production.

Cash Flow Variance Analysis

Farming is a business. Establishing a monthly cash flow at the beginning of the new year is good business practice. But beyond that is monitoring that cash flow throughout the year. The cash

flow is your projected budget for the year, costs should be broken down in the estimated or known month they will be paid. This helps estimate funding needed and the sources. The estimated months that grain will be sold should also be broken down within the cash flow. Once this is established it should be revisited monthly and compared to the actual costs incurred and revenue received in that month. If there is a wide variance between the actual and the projected cash flow amounts, action needs to be taken. Variances in the cash flow may be due to a timing issue of when an expense was actually paid, or revenue was realized. It could also be from something unforeseen that has now affected your overall budget and essentially your breakeven. Monitoring your cash flow and the variance from month to month will help you make more informed management decisions.

Written Marketing Plan

Once your cash flow and cost of production has been established, it's time to use this information to market your grain. Whether you utilize a marketing company or develop and execute your own marketing plan, the best practice is to have that plan in writing. This way it can be revisited throughout the year and the plan can be tweaked to meet the ever-changing environment of commodity prices. Having the plan in writing adds an additional step of accountability that will help you evaluate and execute the plan when the opportunity arises.

2024 is shaping up to be another wild ride in the farming sector. Utilizing these three tools can help give you the confidence you need to make sound financial and management decisions for your operation. As always, if you want more information about these tools and many others that can help benefit your Agribusiness, please feel free to reach out to a Bruning Bank Loan Officer at your location.

- Luke Thorell, President- Holdrege

New Employee Spotlight



FILI SANCHEZ

Fili joins Bruning Bank as Vice President, Commercial Loan Officer, and Assistant Compliance Officer. He has over 20 years of banking experience serving Kearney, NE. He is a graduate of Kansas State University and NBA Advanced Schools of Banking. Sanchez currently serves as Secretary of the Yanney Heritage Park Board of Directors, Vice Chair Finance Committee for Kearney First United Methodist Church and treasurer for his kids' soccer and basketball clubs. He and his wife, Cathy, have three children and live in Kearney. Fili enjoys attending his kids' activities, family vacations, and hiking/biking.



JEN WORCESTER

Jen joins Bruning Bank as an Accountant-Auditor. She grew up on a farm near Deshler, NE. Jen graduated from Midland Lutheran College with a Bachelor of Science in Business Administration with a Concentration in Accounting. She resides in Hebron, NE with her husband, Nick and two daughters, Briella (4) and Brynnley (1). Jen attends Hebron Bible Church where she helps lead a small group. In her spare time, she enjoys spending time with her family, crafting, DIY projects, and gardening.

Planning For Long Term Care in Estate Planning



DAVE FROOM, CPFA®
VICE PRESIDENT &
LPL FINANCIAL PLANNER

The “Silent Generation” born between 1925 and 1945 is 79 to 99 years old. My mom turns 90 this year and as they say, “growing old isn’t for sissies.” She was a cheerleader in high school and still remembers some of the acrobatic cheers she performed (did you ever see the “Jelly Roll”?). Baby Boomers – those born between 1946 and 1964 – are between the ages of 60 and 78. They are retiring at a rate of roughly 10,000 every day.

As our Wealth Management clients age, we see more people need Assisted Living and Nursing Home Care. And there’s a growing interest in Long Term Care Planning as a part of Estate Planning.

About 52% of people turning 65 that year would develop a need for Long Term Care (LTC) in their lifetime. According to a 2022 report by Elder Life Financial, the median annual cost for Assisted Living in Nebraska is \$64,788; for Nursing Homes it’s \$91,248 for a Semi-Private Room and \$97,092 for a Private Room. The average stay in a facility is about 835 days. In 2020 The Administration for Community Living reported that 20% of 65 year olds will require more than 5 years.

Many questions abound around Medicare, Medicaid, and various types of LTC insurance. One of my favorite resources, “LTC News”, has 68 Frequently Asked Questions links. That’s a lot of FAQs. I can dispel one misconception right off the bat – Medicare does not provide benefits for LTC.

There are three primary means of planning for LTC: self-insure, LTC insurance, and Medicaid. There’s a fourth – family care – it’s rarer (and often the skilled care needed is beyond what a family member can provide).

Many of our Wealth Management clients can self-insure. That’s a blessing to be sure. But as we work through the Estate Planning process, sometimes it still may make sense to utilize LTC insurance to protect assets.

The old “Cadillac” Traditional LTC insurance plans that covered 100% of both spouses with unlimited benefits at reasonable premiums have gone the way of the Packard. To be clear, Traditional LTC insurance is still available and the most purchased. It can still make sense in some cases, but the benefits are smaller, and the premium costs are higher than they used to be. Despite the changes to policies, the primary benefits of Traditional LTC insurance remain monthly premiums that help with cash flow, a higher leverage for your investment than other LTC insurance products, and possibly the best benefit is the “partnership programs”.

Partnership programs are collaborations between private insurance, states, and federal Medicaid. These programs provide policyholders with dollar-for-dollar asset protection for each dollar a policy pays out. Let’s say a policy pays \$200,000 in benefits and the policyholder also has an investment account worth \$200,000. Dollar-for-dollar asset protection will protect their investments up to \$200,000.

The biggest complaints we see against traditional LTC insurance are (1) premiums increase over time – in some cases becoming cost-prohibitive for people that paid into the policy for years. (2) Benefits not keeping up with cost inflation. (3) And the “use-it-or-lose-it” aspect where someone never uses the insurance and loses the premiums paid (like term life insurance – though it does still serve a need).

The good news is that with decades of data, the projections for premium increases are more stable. A 2023 Forbes Advisor article stated the average premium for a 60 year old man is \$1,200 per year for \$165,000 coverage, and \$1,960 for a 60 year old woman. An 82 year old woman with a 22-year old policy would have paid in about \$43,120 for \$165,000 in benefits (assuming no rate increases). With a 2% annual increase the premiums paid would be about \$53,506.

More good news is that insurance companies have created different solutions called “hybrid” LTC insurance products. They are complex to be sure, but in a nutshell, they leverage premiums using either a life insurance chassis or an annuity chassis. Investors like that they provide some return – usually through a death benefit or return of premium if the policy is not used for long term care. In some cases, the policies allow a full return of premium after a certain number of years. And in some cases, the investment even earns a little interest.

The downside is they typically do have as much leverage as Traditional LTC insurance, but they do normally at least double the premium in benefits paid. The other drawback for hybrid policies is many companies require a one-time lump sum premium. For people planning to self-insure this is doable. There are some newer policies that are allowing premiums paid over time. I think we’ll see more of these in the future.

Another negative side of “hybrids” is they are not eligible for the “partnership program” that protects assets up to the benefit amount. But at least the benefits paid protect the insureds assets until the policy is exhausted.

As you can see there is a great need for Long Term Care insurance, and it can go a long way towards protecting assets for the next generation or charities in your Estate Plan or even help slow down the Medicaid “Spend Down” process. But we barely scratched the surface on the complexities.

2022 Source: <https://www.elderlifefinancial.com/cost-of-care/cost-of-senior-care-nebraska/>

2024 Source: <https://www.seniorliving.org/assisted-living/costs/#cost-breakdown>

2020 Source: <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

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HURRY UP and SLOW DOWN (My Insight and Advice to Graduates)



time to hurry up and then all too soon we wish it would slow down.

Do you remember a time when you might have said, “I can’t wait to ...”? “I can’t wait to start junior high school ... move on to

Recently I congratulated a young couple on their newborn baby. Soon I will be watching our oldest granddaughter graduate from high school. Sadly, I recently attended the funeral of a friend’s father. I also have been spending some time with the patriarchs of our family, who move a little slower these days. All these milestones in life have got me thinking about how we start out in life wanting

high school ... finish up college or trade school ... start full time employment, ... get married, ... have children.” On and on those thoughts go until the day comes when you look back and wonder where all the time went.

I know it has been like that for me. I spent a lot of time looking forward to the next milestone or goal in my life. Now, I just want time to slow down. I want to enjoy my family and my friends. If I had to do it all over again, I would have forced a slowdown and spent more time with my parents, siblings, aunts and uncles, cousins, and friends.

So, my insight and advice to all graduates would be to enjoy the ride as you are moving through milestones and achieving your goals but don’t forget to spend time with and enjoy the people in your life. When you are hurrying through life, don’t forget to hurry up and slow down.

- Sonny Manley, President- Hebron

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Going on a Trip? No Worries!



working, so he called the bank. Fortunately, we left on a weekday, and the bank was open. The banker told my dad the transaction got blocked due to potential fraud. The fraud company thought this transaction was suspicious since it was in another state. The banker put a travel notice on my dad’s card, covering the rest of

With nice weather and summer approaching, summer road trips are about to begin! When making your summer plans, always remember to put a travel notice on your debit card.

I remember one time when I was younger, my family and I went on a trip to visit relatives who lived out of state. The trip went well until we stopped to get gas at a gas station in Iowa. My dad’s debit card wasn’t

the trip. That way, we could continue to use the debit card.

Luckily, it has gotten easier to set up a travel notice now. You can set up the notice using your Bruning Bank mobile app. To do this, you will sign in, go down to the bottom left corner, and click on the cards. Then you select the card or cards you will be using. Once you get to the card, you scroll down and click on manage travel plans. Then you can add all the different destinations you will be traveling to. This may include stops if you are traveling by plane and making a purchase at the airport. Once you have entered that information, you will put the date you are departing and the date you will return. After you submit this, your card should continue to work throughout your trip.

If the app isn’t for you, that is perfectly fine. We will gladly help you set this up in person or over the phone! I hope everyone can have a relaxing summer.

- Hailey Dixon, Relationship Manager



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— TO THE CLASS OF 2024 —

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