

LTC — Finding the Right Solution



Many clients today are interested in discussing long-term care. Since there is no one solution that is appropriate for all clients, there are four choices your client can make:

Options Available to fund LTC:

<p style="text-align: center;">Traditional LTC</p> <ul style="list-style-type: none"> ▪ Most LTC coverage per dollar of premium ▪ Benefit inflation riders ▪ Can qualify for State Partnership ▪ Premiums can increase in the future by class ▪ No single pay or limited pay 	<p style="text-align: center;">Linked-Benefits Policy</p> <ul style="list-style-type: none"> ▪ Single premium or multiple pay options ▪ Death benefit is accelerated for LTC expenses ▪ Greater LTC benefits but smaller death benefit ▪ If LTC not needed, death benefit is paid to beneficiaries ▪ Return of premium built into policy
<p style="text-align: center;">Life Insurance with LTC Riders</p> <ul style="list-style-type: none"> ▪ Ongoing premium with flexible payment modes ▪ Greater death benefit but smaller LTC benefits ▪ LTC benefits are percentage of the death benefits ▪ If client doesn't need the LTC benefits, full death benefit paid to beneficiaries 	<p style="text-align: center;">Self-Fund — Liquidate Assets</p> <ul style="list-style-type: none"> ▪ CDs, checking accounts, money market accounts ▪ Individual Investments ▪ IRAs ▪ Illiquid Assets — Forced to sell at a discount including home and real estate.

Characteristics of clients in these categories:

Traditional LTC:	<ul style="list-style-type: none"> ▪ Net worth of \$500,000 or less ▪ Have life insurance in place
Linked-Benefits Policy:	<ul style="list-style-type: none"> ▪ Concerned about LTC, and need a small life policy ▪ Have liquid funds available
Life with LTC Riders:	<ul style="list-style-type: none"> ▪ Net worth exceeding \$500,000 ▪ More concerned about life insurance need than an LTC need
Self-Fund	(see chart for more information on the cost of self-funding)

What are the current and potential future costs of care?*

	1 Year of Care	3 Years of Care	5 Years of Care
Cost Today	\$85,776	\$265,047	\$441,746
Cost in 10 Years	\$115,272	\$356,190	\$593,650
Cost in 20 Years	\$154,920	\$478,702	\$797,838

*Genworth Cost of Care Study, 2017