

LONG-TERM
CARE

Long-Term Care:

IT'S ABOUT A PLAN



WHAT IS LONG-TERM CARE?

What is Long-Term Care?

It is:

- Help with Activities of Daily Living
- Assisted Living
- Custodial Care
- Home Care
- Adult Day Care

It is NOT:

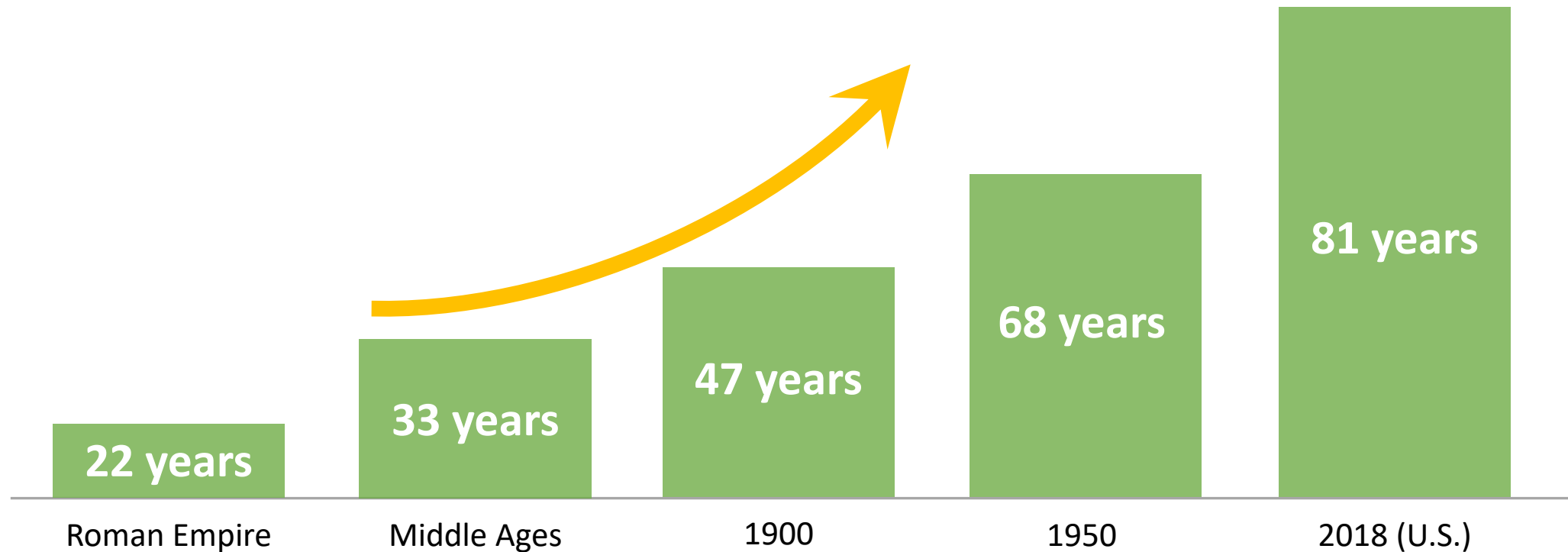
- Skilled Care
- Just Nursing Home Care



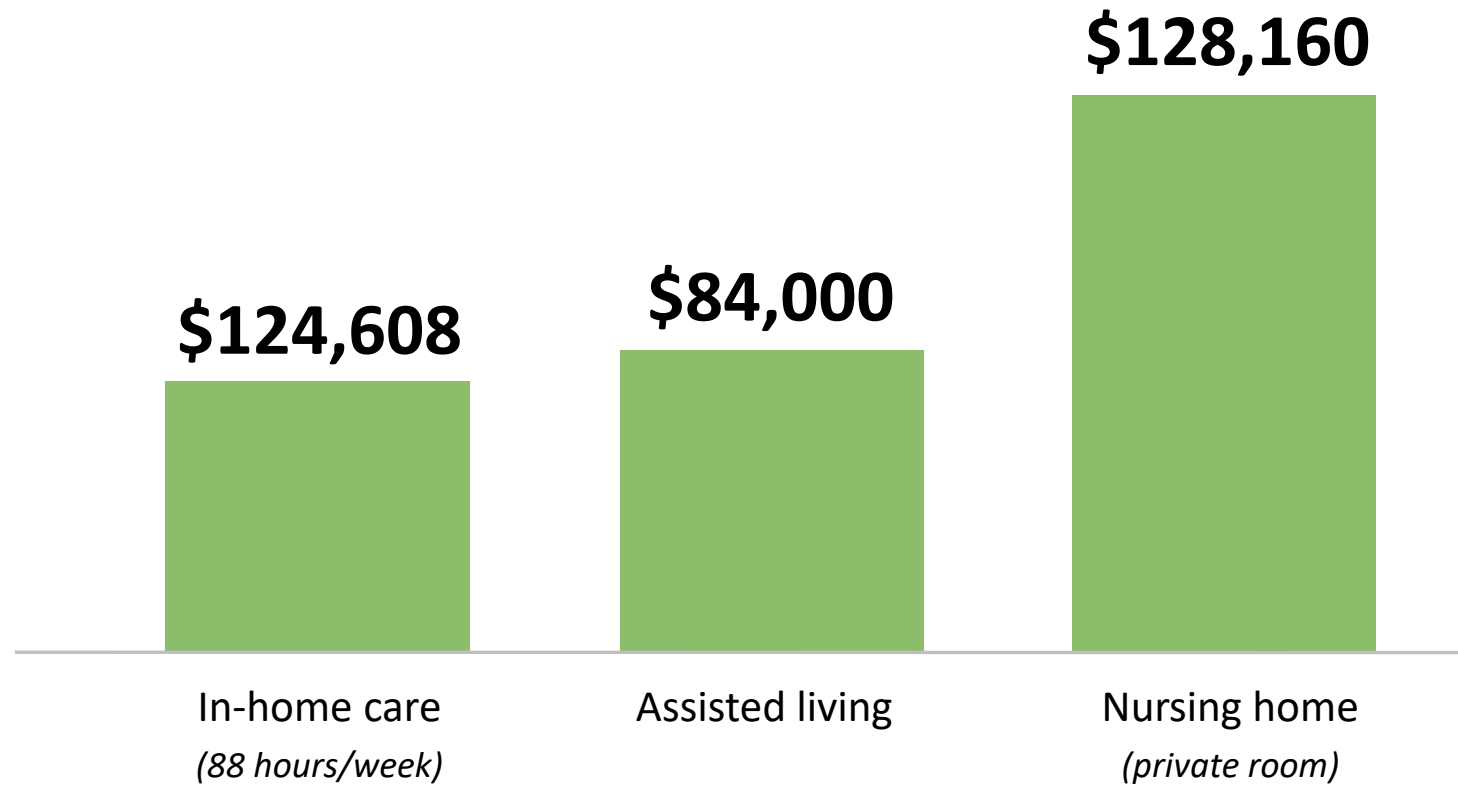
SO WHY IS PLANNING IMPORTANT?

① People are Living Longer

Average life expectancies continue to improve



② Extended Care is Expensive Today

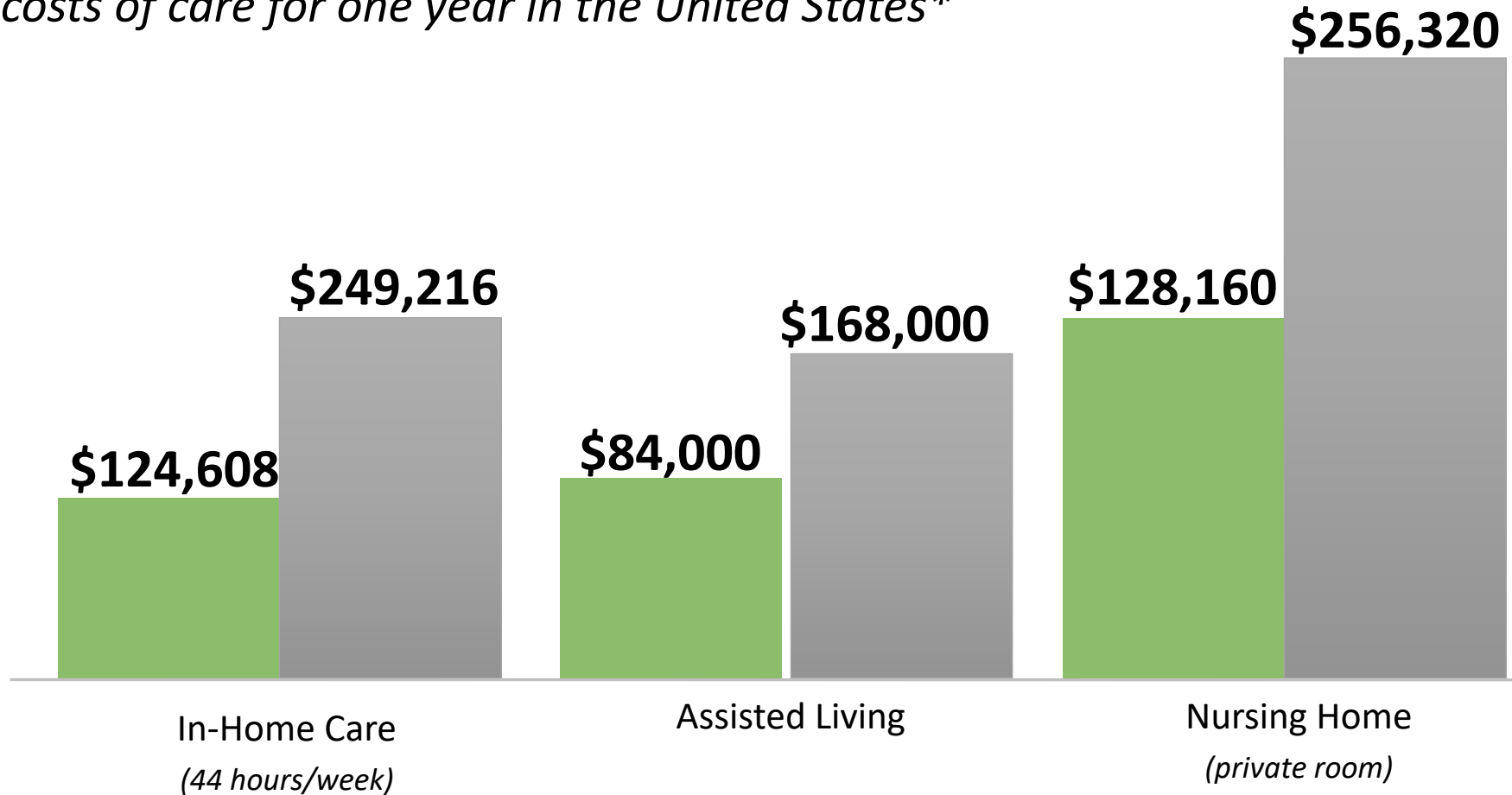


Source: Genworth 2019 *Cost of Care Survey*, conducted by CareScout®,
Based on national median costs.



Even More Expensive in 15 Years!

*Future costs of care for one year in the United States**



Source: Genworth 2021 Cost of Care Survey, conducted by CareScout®,. Based on national median costs.

*Estimates how much care might cost based on 5% annual inflation.



Future Cost of Three-Year Stay

Nursing Home	\$788,400
Assisted Living	\$504,000
Home Care	\$768,960

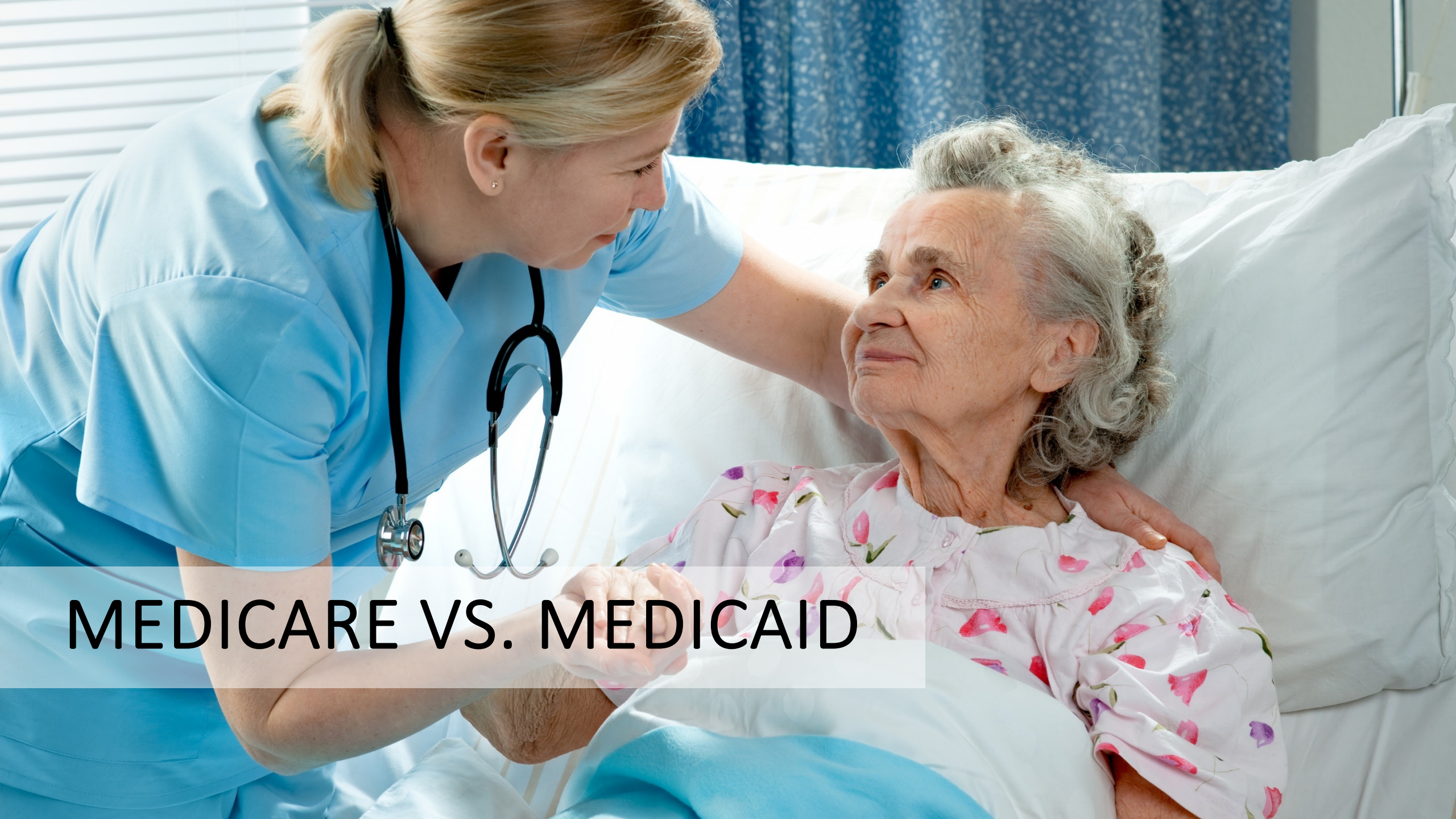
A photograph of an elderly couple in a park-like setting. The man, in the foreground, has grey hair and is wearing a light blue striped shirt. He is looking upwards and to the right with a joyful expression. The woman, behind him, has short grey hair, wears glasses, and a brown cardigan over a white shirt. She is also looking upwards and smiling broadly, with her arms wrapped around the man's shoulders. The background is a soft-focus view of green trees and foliage. A semi-transparent white rectangular box is positioned across the lower half of the image, containing the text.

SO WHAT'S YOUR PLAN?

What's Your Plan?

Start by asking these questions:

- ① Do you feel you are going to live a long life?
- ② Do you agree that the longer you live, the greater likelihood your health could become compromised and you may need some kind of extended care?
- ③ If you needed care, would that have an impact on those you love?



MEDICARE VS. MEDICAID

① Medicare – Skilled Care

- Required Three-Day Hospital Stay
 - Days 1-20 - \$0 Coinsurance
 - Days 21-100 - \$200 Coinsurance per day
 - Days 101-? - \$0
- Medicare.gov

② Medicaid

- Requires Spending Down of Recipient Assets
- Qualified Funds/Countable Asset
- Must Agree to Income Limits
- Subject to Bed Availability
- 5-Year Look Back of Asset Transfer
- Assets Can Be Recovered Even After Death

Insurance Option Updates

- Male/Female Pricing
- Hybrid Options
- Interest Rate Impact
- State Sponsored Plans

Insurance Option Updates

- Use of Qualified Funds
- Rate Increases
- Claims
- Future



PRIVATE LONG-TERM CARE OPTIONS

LTC Insurance Options

- All Qualified LTC Plan Benefits are Income Tax Free
- Benefits Collected Two Ways
 1. Unable to Perform 2/6 ADLs
 2. Cognitive Impairment

Solutions That Provide Answers

- ① **Standalone LTC:** Smaller annual premiums provide a greater benefit pool when care is needed
- ② **Linked-Benefit Life Hybrid:** The leveraging power of existing assets is in the LTC benefit pool – LTC is the key reason for purchase; legacy assets are a secondary benefit
- ③ **Linked-Benefit Annuity Hybrid:** Leveraging an annuity for multiplied value in an LTC benefit pool; if LTC is not need the annuity benefit remains
- ④ **Accelerated Benefit Life:** Life insurance is the key driver in this concept – access to the death benefit as a living benefit covers care expenses

① Standalone LTC

- Daily/Monthly Benefit
- 2,3,4 and 5-Year Benefit
- Inflation Options
- Elimination Period
- Recent Stability

① Traditional LTC

- \$5000 a Month: \$60K a Year Benefit
- Coverage for 3 Years: $\$60K \times 36 \text{ Months} = \$180K$
- Inflation Coverage: 1% - 5% 3% Most Common
- Elimination Period: Usually 90 Days

② Linked-Benefit Life Hybrid

- Life Insurance with Long-Term Care Rider
- Move Money to Create Leverage
- Cost Share Your Coverage
- Retain Control of Your Asset
- Indemnity/Lifetime

Advantages of Linked-Benefit Life Hybrid

Case Study:

- Male
- 60-Year Old
- Non-Smoker
- Resides in TX

Your Deposit

\$100,000



Linked-Benefit Leverage

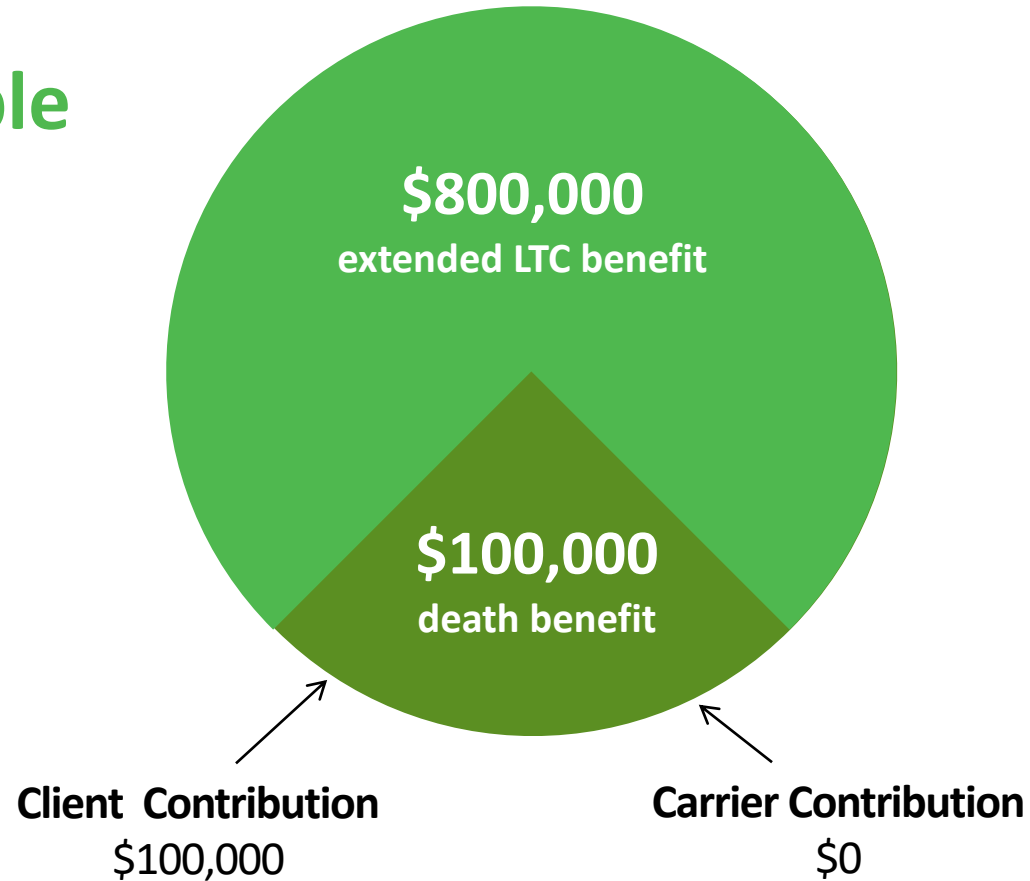
\$900,000

\$9,100 per month benefit

\$100,000 death benefit

Advantages of Linked-Benefit Life Hybrid

\$900,000 LTC Available



③ Linked-Benefit Annuity Hybrid

- Annuity with Long-Term Care Rider
- Add Your Spouse to the Plan
- Nonqualified Gain can be Used Income Tax Free
- Retain Control of Your Asset

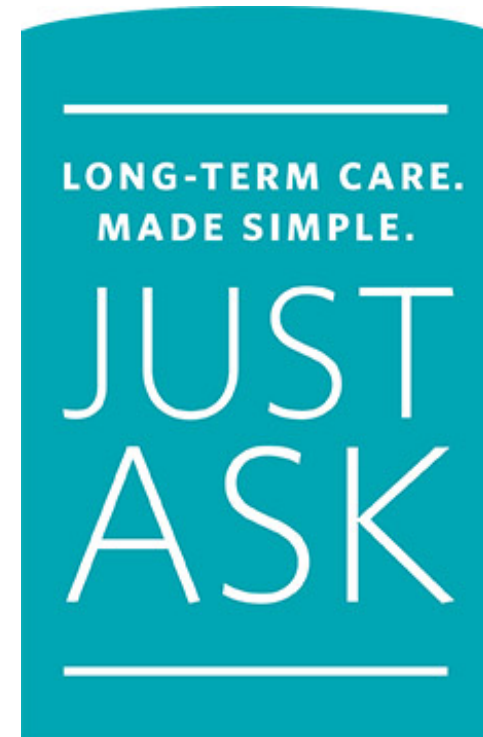
④ Accelerated Benefit Life

- Traditional Life Insurance with Rider
- Spend Down Face Amount for Long-Term Care
- Benefits can be Received as Indemnity

Questions?

Remember ...

It's About a Plan



Thanks!

- For attending
- For your attention and participation
- For choosing Ash Brokerage

Bryan Langdon





(800) 589-3000
www.ashbrokerage.com

