



Long Term Care Overview

Submitted by:

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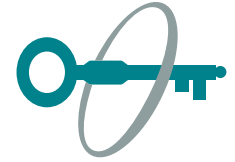
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Agenda



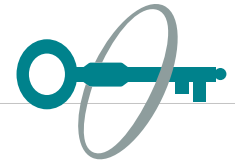
1. Do You Have a Plan?
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5. Types of Payouts: Reimbursement vs. Indemnity
6. Ways to Pay for Long-Term Care
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8. Cost of Care in Your State

Do You Have a Plan?

Create a Stated Retirement Plan

			1			2			3			4			5			6			7			8			9			10			11			12			13
Planning Horizon: 32 yrs			Bank		Joint Brokerage NQ		His IRA		Her IRA																														
Year	Client	Spouse	Account	Income	Account	Income	Account	Income	Account	Income	Accounts Total	Planned Dist.	Client Wages	Spouse Wages	Client SS	Spouse SS	Approx. Income Tax	After Tax Income	After Tax Target																				
net return	60	58	0.05 %		5.00 %		5.00 %	Client IRA	5.00 %	Spouse IRA																													
init amount			350,000		1,500,000		1,250,000		500,000		3,600,000	subtotal of account																											
bonus %			0.00 %		0.00 %		0.00 %	Client inc	0.00 %	Spouse inc	0																												
w/bonus			350,000		1,500,000		1,250,000		500,000		3,600,000	incomes	Infl Factor	Infl Factor	Infl Factor	Infl Factor																							
													1.00 %	1.00 %	1.50 %	1.50 %																						2.50 %	
2024	61	59	350,175	0	1,575,000	0	1,320,500	(8,000)	533,000	(8,000)	3,778,675	(16,000)	150,000	150,000	0	0	(68,770)-24%	215,230	150,000																				
2025	62	60	350,350	0	1,653,750	0	1,394,525	(8,000)	567,650	(8,000)	3,966,274	(16,000)	151,500	151,500	0	0	(69,496)-24%	217,504	153,750																				
2026	63	61	350,525	0	1,736,437	0	1,472,251	(8,000)	604,032	(8,000)	4,163,246	(16,000)	153,015	153,015	0	0	(70,230)-24%	219,800	157,594																				
2027	64	62	350,700	0	1,823,259	0	1,553,864	(8,000)	642,234	(8,000)	4,370,057	(16,000)	154,545	154,545	0	0	(70,970)-24%	222,120	161,534																				
2028	65	63	350,876	0	1,914,422	0	1,639,557	(8,000)	682,346	(8,000)	4,587,200	(16,000)	156,091	156,091	0	0	(71,718)-24%	224,463	165,572																				
2029	66	64	351,051	0	2,010,143	0	1,729,534	(8,000)	724,463	(8,000)	4,815,192	(16,000)	157,652	157,652	0	0	(72,474)-24%	226,829	169,711																				
2030	67	65	351,227	0	2,063,927	46,722	1,816,011	0	768,686	(8,000)	4,999,851	38,722	0	159,228	37,481	0	(49,477)-21%	185,954	185,954																				
2031	68	66	351,402	0	2,116,671	50,453	1,906,812	0	815,120	(8,000)	5,190,006	42,453	0	160,820	38,043	0	(50,713)-21%	190,603	190,603																				
2032	69	67	351,578	0	2,050,387	172,118	2,002,152	0	855,876	0	5,259,994	172,118	0	0	38,614	34,442	(49,806)-20%	195,368	195,368																				
2033	70	68	351,754	0	1,975,756	177,150	2,102,260	0	898,670	0	5,328,439	177,150	0	0	39,193	34,959	(51,050)-20%	200,252	200,252																				
2034	71	69	351,930	0	1,892,224	182,320	2,207,372	0	943,604	0	5,395,129	182,320	0	0	39,781	35,483	(52,325)-20%	205,258	205,258																				
2035	72	70	352,106	0	1,799,206	187,629	2,317,741	0	990,784	0	5,459,836	187,629	0	0	40,378	36,015	(53,632)-20%	210,390	210,390																				
2036	73	71	352,282	0	1,696,083	193,083	2,433,628	0	1,040,323	0	5,522,316	193,083	0	0	40,983	36,555	(54,972)-20%	215,650	215,650																				
2037	74	72	352,458	0	1,582,203	198,684	2,555,309	0	1,092,339	0	5,582,309	198,684	0	0	41,598	37,104	(56,345)-20%	221,041	221,041																				
2038	75	73	352,634	0	1,560,751	100,563	2,579,200	103,874	1,146,956	0	5,639,541	204,437	0	0	42,222	37,660	(57,753)-20%	226,567	226,567																				
2039	76	74	352,810	0	1,537,270	101,519	2,599,333	108,827	1,204,304	0	5,693,716	210,346	0	0	42,855	38,225	(59,195)-20%	232,231	232,231																				
2040	77	75	352,987	0	1,560,182	53,951	2,615,792	113,508	1,215,563	48,955	5,744,524	216,414	0	0	43,498	38,799	(60,674)-20%	238,037	238,037																				
2041	78	76	353,163	0	1,585,734	52,457	2,627,682	118,900	1,225,052	51,290	5,791,631	222,646	0	0	44,151	39,381	(62,190)-20%	243,988	243,988																				
2042	79	77	353,340	0	1,614,005	51,016	2,634,531	124,535	1,232,809	53,496	5,834,684	229,047	0	0	44,813	39,971	(63,744)-20%	250,087	250,087																				
2043	80	78	353,516	0	1,645,545	49,160	2,635,835	130,422	1,238,412	56,037	5,873,308	235,619	0	0	45,485	40,571	(65,336)-20%	256,340	256,340																				
2044	81	79	353,693	0	1,680,013	47,809	2,631,759	135,868	1,241,640	58,693	5,907,105	242,369	0	0	46,167	41,179	(66,968)-20%	262,748	262,748																				
2045	82	80	353,870	0	1,718,437	45,576	2,621,089	142,257	1,242,255	61,467	5,935,651	249,301	0	0	46,860	41,797	(68,641)-20%	269,317	269,317																				
2046	83	81	354,047	0	1,760,058	44,301	2,604,060	148,084	1,240,334	64,034	5,958,498	256,419	0	0	47,563	42,424	(70,356)-20%	276,050	276,050																				
2047	84	82	354,224	0	1,806,381	41,680	2,579,259	155,004	1,235,305	67,045	5,975,169	263,728	0	0	48,276	43,060	(72,114)-20%	282,951	282,951																				
2048	85	83	354,401	0	1,856,461	40,239	2,547,018	161,204	1,227,279	69,791	5,985,159	271,234	0	0	49,000	43,706	(73,916)-20%	290,025	290,025																				
2049	86	84	354,578	0	1,920,060	29,224	2,506,802	167,567	1,215,591	73,052	5,997,031	269,843	0	0	49,735	44,362	(73,916)-20%	290,025	290,025																				
2050	87	85	354,756	0	1,997,690	18,374	2,458,058	174,083	1,200,396	75,974	6,010,899	268,432	0	0	50,481	45,027	(73,916)-20%	290,025	290,025																				
2051	88	86	354,933	0	2,088,969	8,605	2,401,540	179,420	1,181,442	78,973	6,026,884	266,999	0	0	51,239	45,703	(73,916)-20%	290,025	290,025																				
2052	89	87	355,110	0	2,195,542	(2,125)	2,335,452	186,166	1,158,470	82,045	6,044,572	266,086	0	0	52,007	46,388	(74,457)-20%	290,025	290,025																				
2053	90	88	355,288	0	2,314,820	(9,501)	2,260,794	191,430	1,131,833	84,560	6,062,734	266,489	0	0	52,787	47,084	(76,336)-20%	290,025	290,025																				
2054	91	89	355,466	0	2,447,902	(17,342)	2,177,242	196,591	1,100,686	87,739	6,081,296	266,988	0	0	53,579	47,790	(78,333)-20%	290,025	290,025																				
2055	92	90	355,643	0	2,594,818	(24,521)	2,084,508	201,596	1,065,500	90,220	6,100,469	267,296	0	0	54,383	48,507	(80,162)-20%	290,025	290,025																				
			0		1,839,143		2,691,336		1,039,371		5,569,852		922,802		1,242,850		1,181,175		986,196		(2,093,902)		7,808,972		7,441,186														

Important Note - the values shown in orange indicate hypothetical growth rates

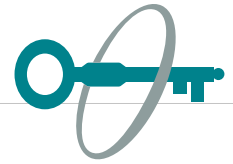


Facts and the Problem

According to the U.S. Census Bureau

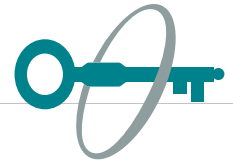
- There are 55.8 million American aged 65 or older.
- 3% of them have addressed the issue.

54.1 Million People 65 or Older are not prepared.



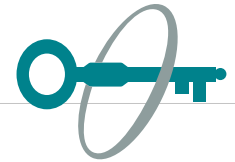
Facts and the Problem

The problem continues to
grow as an
additional 10,000 people
are turning 65 everyday
through 2030.



Why Are So Many People Unprepared

- They don't believe it is going to happen to them.
- They procrastinate because it seems far off.
- They believe family will take care of them, not realizing the physical, financial and emotional toll it will take on them.
- They believe Medicare/Medicaid will cover the cost.
- They believe they can self-fund.
- They don't realize they can address the issue WITHOUT traditional long-term care insurance.

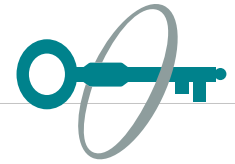


LTC Glossary

Activities of Daily Living (ADL)

Basic activities that most people do everyday without any assistance. LTC carriers use ADL's to gauge an individual's level of functioning. If an individual cannot perform 2 out of the 6 ADL's (below) without assistance, this would trigger an LTC claim:

- **Bathing** - The ability to clean oneself and perform grooming activities like shaving and brushing teeth.
- **Dressing** - The ability to get dressed by oneself without struggling with buttons and zippers.
- **Eating** – Ability to feed oneself
- **Transferring** - Being able to either walk or move oneself from a bed to a wheelchair and back again.
- **Toileting** - The ability to get on and off the toilet.
- **Continence** - The ability to control one's bladder and bowel functions.



LTC Glossary

Elimination Period

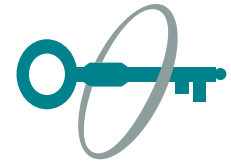
The amount of time that must pass after a benefit trigger occurs but before you start receiving benefit payments. During this period, you must cover the cost of any services you receive.

Waiver of Premium

The insurance company will waive premium payments each month that you are on claim and receiving care.

Cost of Living Inflation Benefit

Increases your benefits automatically each year for a given amount of years. This benefit was designed to allow policyholders to make sure that benefits they receive can keep up with inflation.



Types of Payouts

Payouts Are Tax Free

Reimbursement vs. Indemnity

Reimbursement

Reimburses policyholders for qualified long-term care expenses incurred each month. Under these policies, a care provider can bill the policyholder's insurance company directly, or the policyholder can pay for long-term care expenses out of pocket and submit receipts for reimbursement.

Cash Indemnity

Involves insurance providers sending a pre-determined monthly payment to the policyholder, regardless of the price of any care provided. The individual needs to receive qualified long-term care services to qualify. The policyholder then uses that money to pay for care directly.



Ways to pay for Long-Term Care

Self Insure: The Potential Liability

A more affluent individual who may have the means to pay for long-term care out of their assets. Even in this scenario, we suggest you go through a comprehensive retirement study that will...

- Test your plan "As is"
- In a secondary scenario with a hypothetical claim to evaluate how your assets hold up.

This will allow you to determine if it makes sense to incur the whole liability or shift a portion of the risk to an insurance carrier.

Traditional LTC Insurance

This is the original form of coverage and is the most basic type of Long-Term Care policy.

- If you don't use it for a LTC claim, there is no recapturing of funds
- This product insures against future long term care expenses only.
- There is no cash value or death benefit linked to this product.
- Premiums are not guaranteed.
- This product has a reimbursement payout for claims.



Ways to pay for Long-Term Care

Fixed Index and/or Income Annuity LTC

This product is a deferred annuity that includes a long-term care benefit tied to ADL's (in home or facility). These annuities are typically funded with an initial lump sum, single premium payment (qualified funds can be used). These annuities can provide you with lifetime income and can also be used for long term care expenses. These products can be fixed/guaranteed or indexed - values grow based on index performance. This product is typically paid out as an indemnity.

Life Asset Based Life with LTC

This is a life insurance policy with LTC benefits. Premiums are guaranteed / fixed. The death benefit is typically equal to or more than premiums paid. That means a benefit is paid whether you need LTC or not. The product also provides liquidity in the form of cash surrender value. This product provides an indemnity payout for LTC claims.

Hybrid FIA with Asset Based Life with LTC

This is a unique strategy that provides benefits not available through either product alone. In this strategy, the premium is initially paid into the Fixed Index Annuity and then 10 equal payments are made from the annuity into the life contract in each of the first 10 years. This "hybrid strategy" can be funded with qualified funds, provides potential reduction in total premiums not available with a single lump sum payment, and provides an indemnity payout for LTC claims.

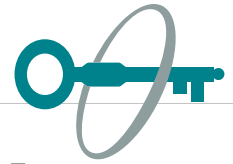
States Considering Long Term Care Tax

4 Months Ago, There Were Only 6 States



Multiple States Considering Implementing Long-Term Care Tax | LTC News

- Alaska
- California
- Colorado
- Hawaii
- Illinois
- Maine
- Massachusetts
- Michigan
- Minnesota
- Missouri
- New Hampshire
- New Mexico
- New York
- North Carolina
- North Dakota
- Oregon
- Pennsylvania
- Utah
- Vermont
- Washington



States Considering Long Term Care Tax

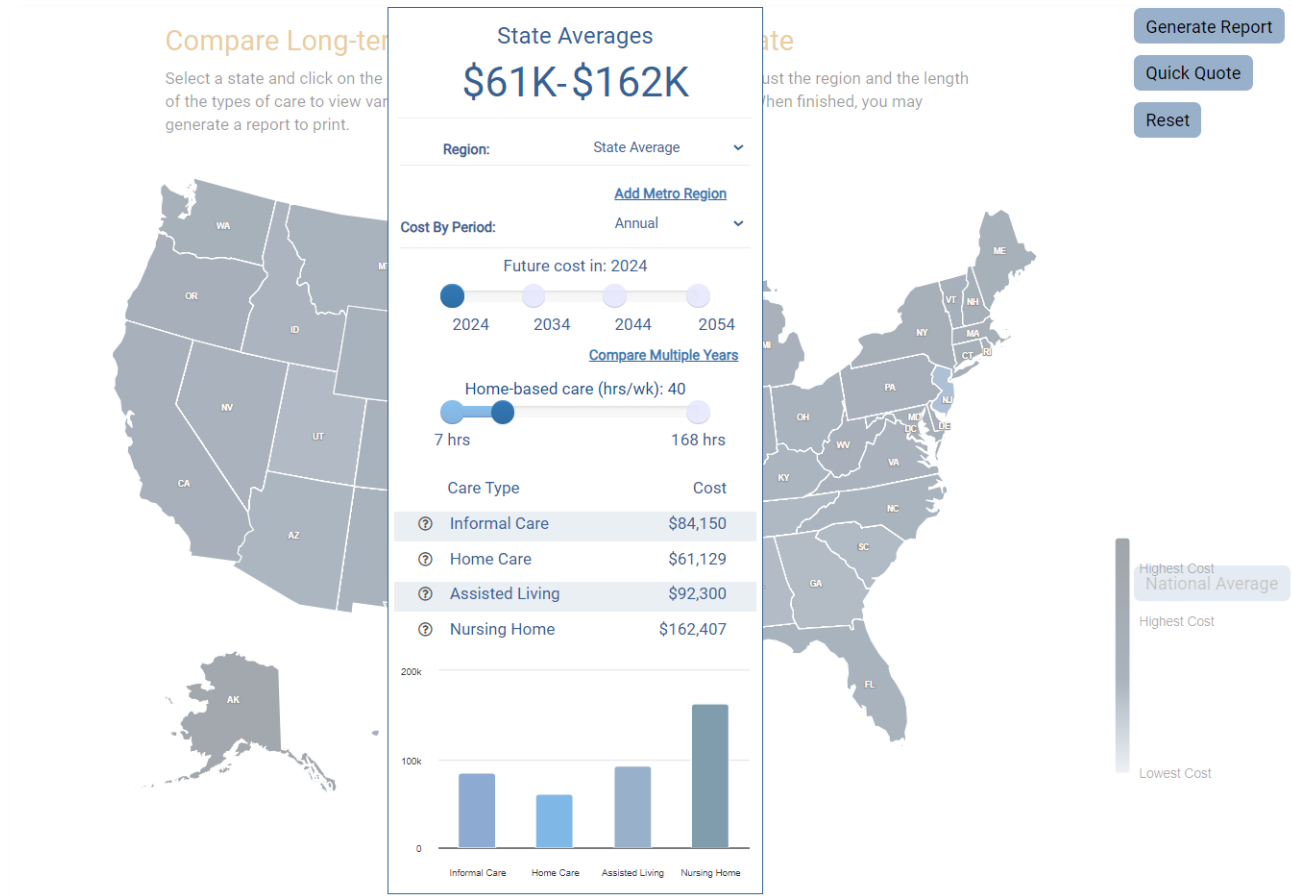
What happened in WA

- What is proposed with tax, Same .58 per hundred unlimited, \$36,500 Lifetime Benefit Pool
- Tradition age 65 \$180,000
- We can take an unknown liability unfunded liability... and turn into a known liability today for a fraction of the cost.
- Have a benefit pool that increases
- *CA is considering a tax of 1.2%*

Cost of Care in Your State

Be Informed...Be Prepared

<https://nationwidefinancialltcmap.hvsfinancial.com/>





Long Term Care Insurance Product Options

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