





A Closer Look at Preparing for Long-Term Care

There are many ways your clients can get coverage to protect their family's financial future and mitigate risk to their retirement savings. Available options range from traditional long-term care coverage to hybrid policies which combine life insurance or an annuity with long-term care coverage.

	 LONG-TERM CARE INSURANCE	 LIFE/LTC HYBRID	 LIFE INSURANCE WITH RIDERS	 FIXED OR INDEXED ANNUITIES
WHAT IS IT?	Help protect your clients' assets from costs incurred due to long-term care and/or home healthcare needs	Help protect your clients' assets from costs incurred due to long-term care and/or home healthcare needs while retaining maximum flexibility	Maximizes the death benefit while retaining moderate flexibility	Long-term care options late in life for those with potential health concerns
PROS	<ul style="list-style-type: none"> • Inflation protection • Care coordination "Concierge Healthcare" benefit • Tax deductible for business owners • Benefit usually not taxable 	<ul style="list-style-type: none"> • Standardized benefit trigger • Increases flexibility and provides benefits for a long-term care event • Flexible payment options • Return of premium options (may be taxable) • Guaranteed premiums • Includes both Life insurance and LTC benefits 	<ul style="list-style-type: none"> • Potentially larger death benefits • Comparatively low premium cost for rider • Better suited to pay for benefits on a monthly basis, if needed 	<ul style="list-style-type: none"> • Limited or no medical underwriting • 1035 exchange of existing annuity could turn tax-deferred growth into tax-free LTC payments
CONS	<ul style="list-style-type: none"> • Premiums may not be guaranteed • "Use it or lose it" premium (no cash value or return of premium) 	<ul style="list-style-type: none"> • Opportunity cost (if single premium option is selected) • Not the same tax advantages for business owners • Generally cost more than traditional long-term care 	<ul style="list-style-type: none"> • If LTC is needed, reduction of death benefit • Typically no return of premium • Benefit triggers not standardized • Benefits typically determined at claim time • No inflation protection • Benefit may be taxable 	<ul style="list-style-type: none"> • Limited or no inflation protection • Typically no care coordination • No tax advantages for business owners • Benefit may be taxable