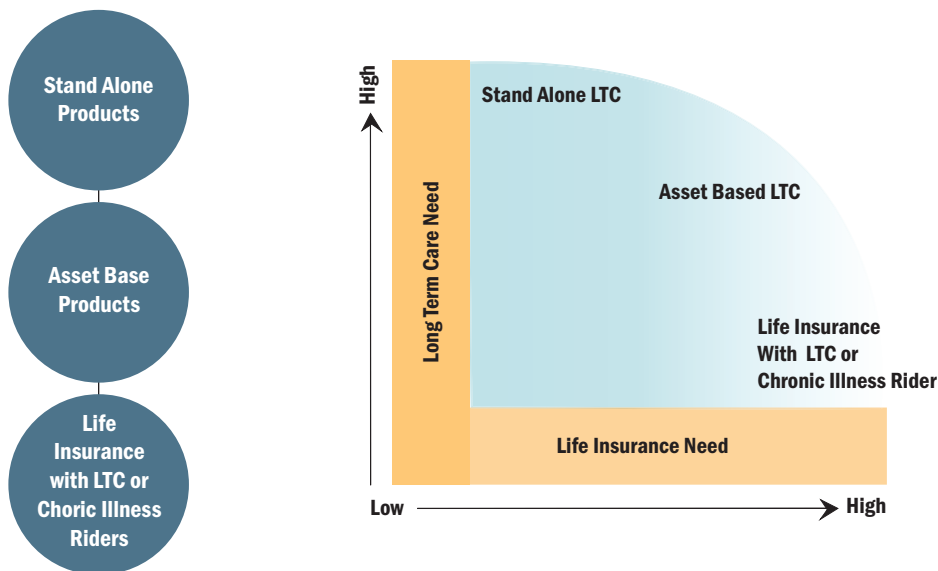




## Guide To Long-Term Care Insurance Products

**STRATEGY: Repositioning existing assets to provide a larger income tax free insurance proceeds payable at death and/or long-term care benefits (if needed).**

### 3-Types of Long Term Care Products



Each product type has unique characteristics.

The selection process should focus on the importance between providing:

- Pure LTC Benefits
- The inclusion of life insurance proceeds payable at death
- A return of premium feature

#### Reimbursement vs. Indemnity

Reimbursement - Only actual LTC costs are reimbursed. Bills and receipts must be submitted

Indemnity: Full monthly LTC benefit paid to policy owner. Excess benefits not needed for care can be used for any purpose.

#### Stand-Alone LTC

- May cover home and community care, home modifications, assisted living and nursing facilities
- Most LTC benefit for premiums paid
- May have an inflation rider
- Shared care is available for couples
- May not have value at end of policy
- Premiums are not guaranteed

#### Asset Based LTC

- May cover home and community care, home modifications, assisted living and nursing facilities
- May have an inflation rider
- Can be paid in a single lump sum, or multiple payments
- Each spouse may need own policy
- Coverage amount reduces as LTC benefits are received
- May have a return of premium feature

#### LTC or Chronic Illness Rider

For individuals more interested in leaving a legacy.

- Wants a tax-free way to cover LTC costs if needed.
- Monthly benefit is typically 2% or 4% of the coverage amount with no inflation
- Benefit period varies with percentage chosen (example: 2% = 50 Months)
- Coverage amount reduces as LTC or chronic care benefits are received

#### Typical Stand-Alone LTC or Asset Based LTC

Benefits reimburse qualified expenses or may be billed to the insurance company

#### Typical LTC or Chronic Illness Riders

Benefits reimburse qualified expenses or may be billed to the insurance company

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