



**FLEXIBLE PROTECTION FOR
A HEALTHY RETIREMENT**

PROTECT YOUR FAMILY | PROTECT YOUR CHOICES | PROTECT YOUR ASSETS



LONG-TERM CARE IS A PART OF LIFE.

Maybe it's a grandparent or parent. It could be a spouse. Maybe an aunt or uncle, or even a neighbor.

In today's world of longer lives, many of us have experienced the impact of long-term care in one way or another, with a level of involvement ranging from physically providing care to visiting a grandmother in a nursing home once a month.

The emotional, physical, and financial outcomes of these situations are as varied as the lives of the people who need care. However, there are some consistent themes:

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Theme 1: Nobody wants to talk about it

In some ways, a long-term care plan is like maintaining a healthy diet: Everyone agrees that it's important, but many of us don't take the necessary action. In fact, 36 percent of people feel the topic is too difficult to talk about with their family and 32 percent admit they don't know where to start.¹

Theme 2: Misconceptions are the rule, not the exception

Partly because no one wants to talk about it, many people buy into these common misconceptions:

- "I'll never need long-term care." (Actually, 70 percent of people turning 65 today will need long-term care services at some point²)
- "Medicare will pay for it." Medicare only pays for Skilled Nursing Facility care and then only for 100 days, it does not cover "custodial" long term care.³
- "I'll spend down my assets so that the government will pay for it." (Did you know that this strategy may limit your care choices? If you're married, what will depleting your assets mean for your spouse?)
- "My family will take care of me." (Very likely, but are you sure you want that?)

- "I can use my savings to pay for it." (Possible, but how much money do you have? And is that how you want to spend it?)

Theme 3: Relatively few people have long-term care insurance

Only around 7 percent of people age 50+ own long-term care insurance.⁴ While some of that is no doubt due to those popular misconceptions, many people specifically object to these characteristics of long-term care:

- If they never need it, they'll get nothing in return for their premium payments ("use it or lose it"); and
- Long-term care insurance premiums are unpredictable and have a history of increasing significantly from one year to the next.⁵

An alternative to self-funding that can help protect your family, your choices and your assets

Many people who amass a sizable nest egg during their working years rely on using their assets to pay for long-term care. This approach might work out fine; maybe you'll never need long-term care or need it only briefly. But if you do face significant long-term care expenses, you may end up depending on your family more than you'd like, having fewer choices for your care and depleting your assets more than you ever imagined.

THE PROS AND CONS OF ASSET-BASED LONG-TERM CARE

Hybrid or asset-based long-term care is life insurance that includes certain long-term care benefits. These policies are different than “traditional” long-term care insurance. Asset-based long-term care policies provide a middle-of-the-road approach that may provide protection for:

- Your family
- Your choices
- Your assets

No more “use it or lose it” — if you never need long-term care, or need only a limited amount that does not deplete the death benefit, your beneficiaries will receive a life insurance death benefit. Plus, knowing that you have coverage in place might make you feel more comfortable spending your assets and enjoying life. Keep in mind that if your primary need is life insurance, you can likely get more coverage with a traditional life insurance policy. And if the idea of potentially getting no payout doesn't bother you, you'll probably get more affordable long-term care coverage from a stand-alone long-term care policy.⁶

If you do need long-term care, these products can help protect your assets from the devastating costs of a prolonged or extreme need.

By considering the pros and cons, you can help determine if asset-based long-term care is right for you and your loved ones.

Contact me today to discuss if flexible protection makes sense for you.



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1. https://cdn.bfd.com/86JM1UOD/as/2767pgr8n9qzbcrtgh45h7p/Extended_Care_Research_Report

2. <https://aol.gov/lc/ba>

3. <https://www.medicare.gov/Pubs/pdf/10153-Medicare-Skilled-Nursing-Facility-Care.pdf>

4. <https://www.kunc.org/news/2024-06-01/few-people-are-prepared-to-cover-long-term-health-care-costs>

5. <https://www.cnbc.com/2024/04/30/cp-ed-how-to-navigate-premium-increases-for-long-term-care-insurance.html>

6. <https://www.nolo.com/legal-encyclopedia/long-term-care-insurance-risks-benefits-30043.html>