



# Protecting Your Most Important Asset: Your Family

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1

The consequences not having a plan for extended care will have, not on you, but those you love.



2

What will pay for your plan



3

Different types of plans

# The Agenda:





# What Is Long Term Care?

Long term care is an extended health care event

A long term care event can be characterized by the inability to physically perform 2 of the 6 regular activities of daily living (ADL's):

Eating

Bathing

Dressing

Transferring

Toileting

Continence

Or

A severe cognitive impairment such as Dementia or Alzheimer's



# Not that it will happen to you, but both of these impairments require custodial care, not medical

## A physical Impairment

A chronic medical condition that can be managed by medication or therapy, but cannot be cured.

These illnesses compromise your ability to get through the most basic daily functions.

## A Cognitive Impairment

A measurable decline in your intellect making it difficult if not impossible for you to safely interact with your environment.

**Living a long life  
could well be in  
your future...**

Planning for it now is a necessity



The risk of dying at an early age may be high...

The risk of needing care may be low  
because of your family history...

But have you considered the  
consequences to those you  
love if you ever did live a long  
life and needed care?



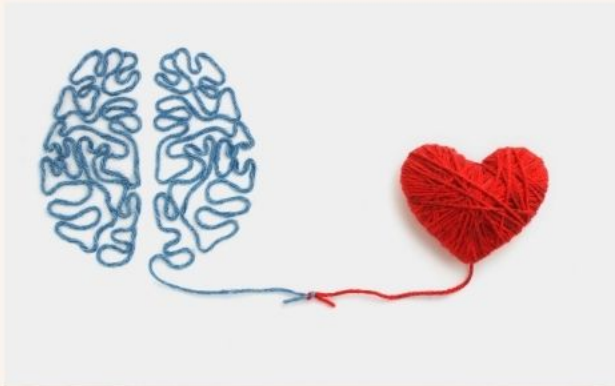


# Reasonable people will believe...

They *could* live a long life

It's *possible* they could become frail and need care as they  
age.

they are willing to consider taking action if they understand  
that needing care could have serious consequences to  
their family and retirement portfolio.



# Consequences to your family

1

Emotional toll

2

Their own physical well being

3

Financial commitments





**Extended care is a safety issue which means that providing care or supervising movement quickly becomes all consuming.**

**It usually forces a child to put aside his/her life. What choice would they have?**

**Providing care to  
chronically ill people  
makes healthy  
caregivers  
chronically ill.**

**This 24 hour  
responsibility has a  
direct impact on the  
caregiver's emotional  
and physical well being.**



**If you ever need care over  
a period of years, your life  
is not going to end...**

**Someone else's will.**



**Paying for care requires a reallocation of income. This has an immediate impact on your ability to keep financial promises**

**If the illness lasts long enough it invariably leads to an invasion of the investment portfolio.**

**This could have a direct impact on your ability to secure the financial viability of a surviving spouse and children who may depend on an inheritance.**





# Plan Objectives

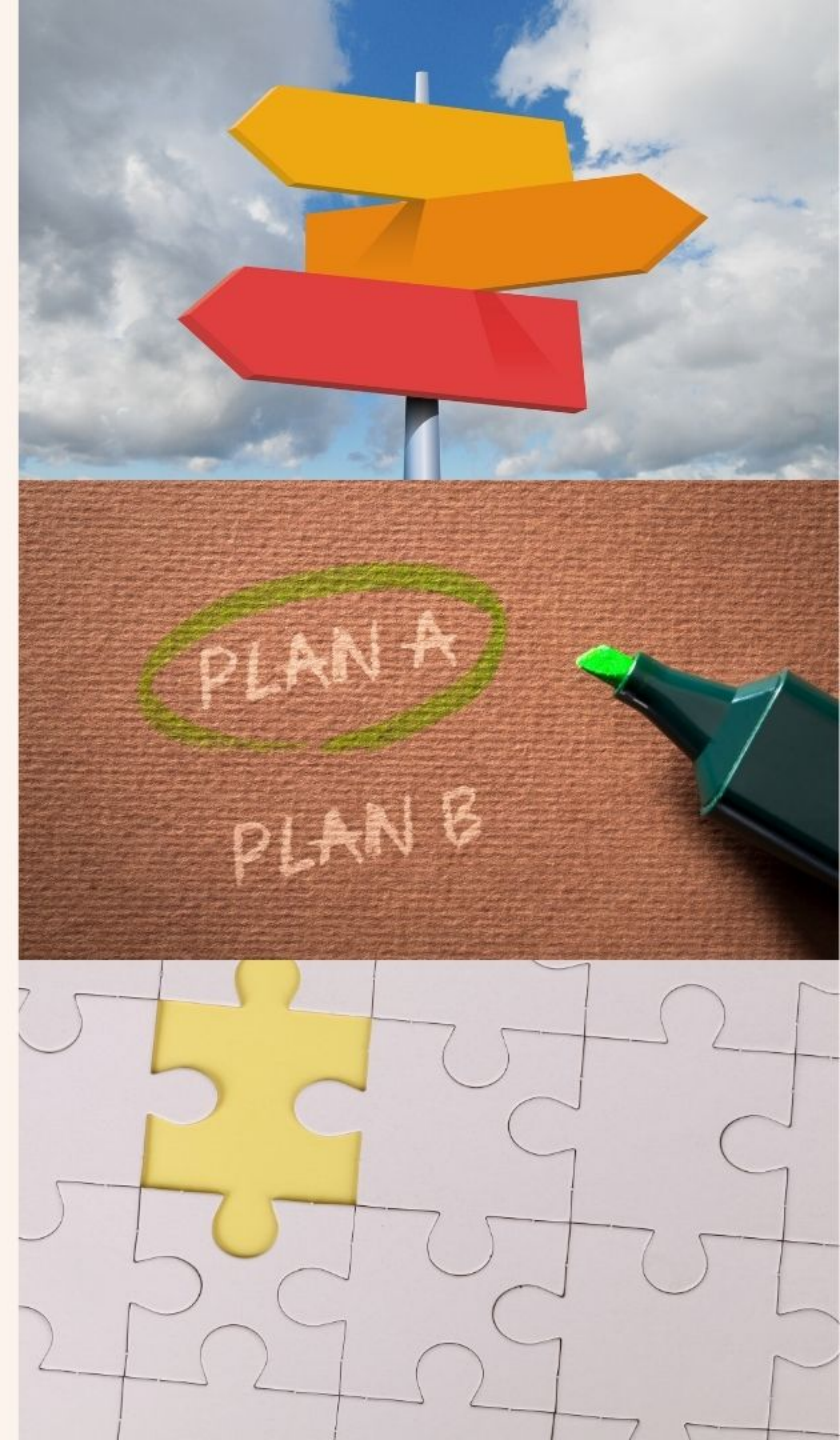
The first is to allow you to remain in the community without risking the emotional and physical well being of those who will provide your care

The second is to preserve your retirement plan so it can execute for the purposes you intended which generally include:

- ▶ Supporting your financial obligations.
- ▶ Minimizing taxes.
- ▶ Insuring the financial viability of your surviving spouse.

# What About...

- 1 Medicare
  - Doesn't pay for custodial care
- 2 Veterans benefits
  - Strict service related standards and means testing
- 3 Medicaid
  - Will pay for custodial care, but at the last place you want to end up...the nursing home.





# And Self Funding?

Taxes on liquidating low cost based assets and qualified funds

What if the market is down when assets are sold

How much of your portfolio is liquid

What happens to income if assets have to be used



Successful people who love someone, purchase life insurance not because they think they are going to die during working years, but because of the consequences to those they love if they ever did.

Successful people who love someone purchase long - term care insurance not because they expect to need care, but because of the consequences to those they love if care was ever needed.



# Types of Plans

Long - term care insurance is evolving. There are now generally three different types of LTC insurance policies:

- 1 Traditional
- 2 Linked - benefit (hybrid, combo, or asset-based)
- 3 Life insurance that accelerates the death benefit to pay for extended care



# Linked Benefit plans



## **USE IT FOR LTC**

**If you do need care, you have an enhanced, tax-efficient LTC funding account**



## **PROVIDE A DEATH BENEFIT**

**If care is never needed, Asset-based LTC policies provide a benefit to your beneficiaries.**



## **CHANGE YOUR MIND**

**There is a guaranteed cash value if you decide to quit the plan.**





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