

Munn & Morris Financial Advisors, Inc.

TOP TEN FEATURES OF LONG TERM CARE INSURANCE

By
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Will you outlive your resources? As health awareness increases and medical care improves, we can expect to live longer than any generation before us. As we live longer, the need for care in our latter years increases. Illness and injury can be prevented and cured, but the odds are we'll still need assistance with the activities of daily living. Long term care is a reality. Long term care insurance can be the means to provide the necessary support. Why consider long term care insurance (LTCi)?

10. LTCi can provide coverage in the home or in alternative facilities, like assisted living or adult day care facilities.
9. LTCi gives you a choice of provider. You're not limited to certain government-approved facilities. In fact, some policies even allow a trained friend or family member to provide care.
8. LTCi can provide a benefit for life so you won't run out of coverage. LTCi protects against catastrophic risk. 10% of us will need more than 5 years of care (\$250,000 in today's dollars). Care for life could cost millions. What assets you own for other purposes will you liquidate to pay for coverage?
7. The cost of LTC continues to increase but you can buy LTCi with an increasing benefit to help counteract the effects of inflation.
6. Some LTCi policies offer the ability to pay for coverage over a certain number of years so you don't have to pay forever.
5. Some LTCi policies can guarantee the premium will not change for a certain number of years.
4. LTCi is available with certain life insurance and annuity products so, if you never need care, you can use the money you've invested or pass it to your heirs. In other words, you don't have to choose to "Use it or lose it."
3. LTCi offers several tax advantages. Premiums are includable as a medical expense on individual income tax returns. Company-paid LTCi can be deductible by the company and not taxable to employees. Qualified LTCi benefits are tax-free.
2. LTCi can provide benefits for pennies on the dollar. A 65-year-old could pay \$2,000 per year for a \$3,000 monthly benefit. One year of care (12 months x \$3,000/month) would be worth 18 years of premiums (18 years x \$2,000/year).

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1. LTCi will allow you to maintain your independence without burdening your family.

We have home insurance even though only 1 in 1,200 houses will catch fire. If you have a 1-in-10 risk of losing \$250,000 or more, wouldn't you want to protect yourself and what you've worked so hard for against such a catastrophe? Keep in mind long term care insurance policies and companies are different. A thorough analysis of your objectives and needs is necessary to recommend a particular solution.

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