



CONCOURSE
FINANCIAL GROUP

Preparing for Long-Term Care and Chronic Illness Expenses



**Medicare will pay
for my ongoing
long-term care
needs.**



However, 56% of Baby Boomers believe that Medicare will pay for their ongoing long-term care needs as they age.¹

**If all else fails,
I can count on
Medicaid to cover
the other expenses.**



Medicaid is only available to those with low incomes and benefits vary by state, which could also impact your eligibility.

Today's agenda

1. What is long-term care?
2. Why plan for long-term care?
3. How can you cover the expenses?

Long-term care helps you manage activities of daily living (ADLs)¹

ADLs



Bathing



Dressing



Eating



Transferring



Continence



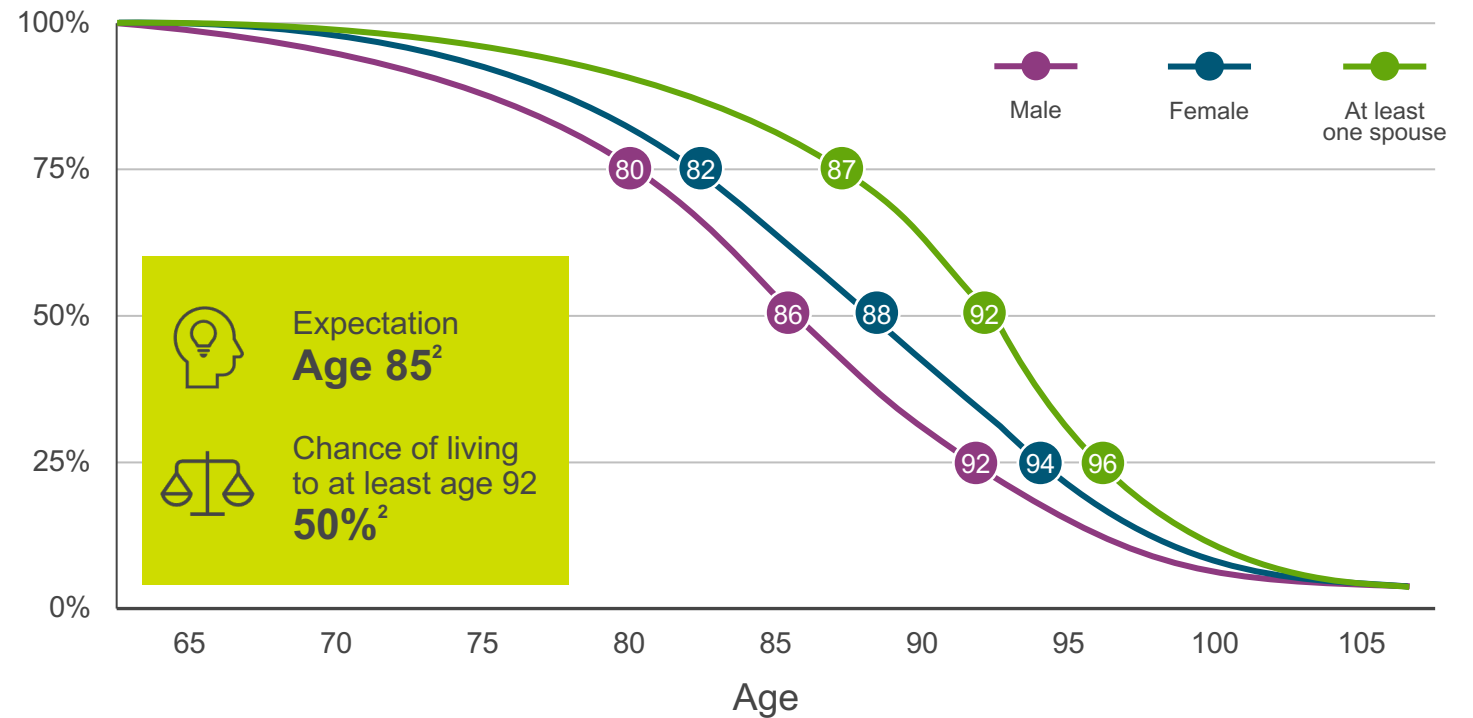
Toileting

Differences between types of care



You need a plan because you may live longer than you think.

Probability of a 65-year-old living to various ages¹

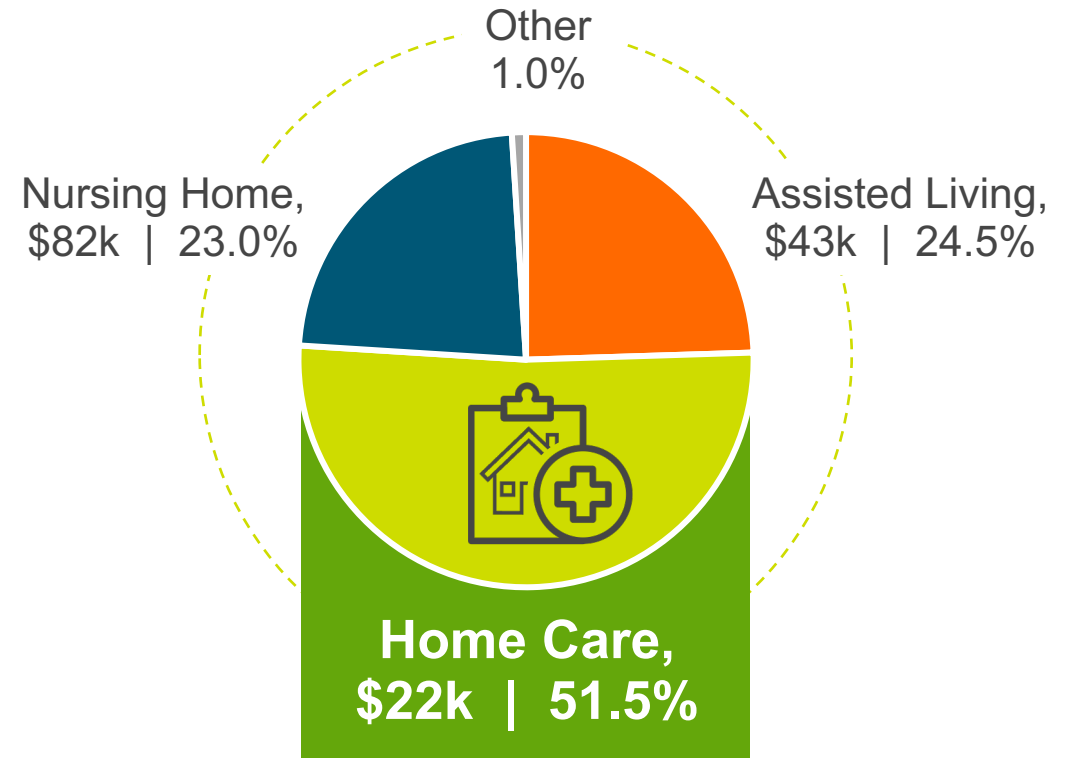


You need a plan because **most people need long-term care at some point.**



7 out of 10 people turning 65 will need long-term care at some point in their lives.¹

You need a plan because of the potential cost.



You need a plan to reduce the potential impact on your family.



50% of caregivers reported less time for their own family or spouses.

41% experienced depression, mood swings or resentment.



63% of caregivers admitted to paying for their loved ones' care from their own savings.

48% said they reduced their base quality of living to accommodate a care routine.



50% felt a negative career impact.

30% felt they missed career opportunities.

Ways to cover long-term care expenses

- 1 Medicare/Medicaid
- 2 Self-insuring
- 3 Long-term care insurance
- 4 Hybrid solution

1 Medicare/Medicaid

Medicare



Guarantees health insurance for those 65 and older and for people with disabilities



Covers about half of health care costs for enrollees

Medicaid



Health program for people and families with low incomes and resources



Pays for skilled and custodial care, typically limited to nursing home.

2 Self-insuring

Pay for it yourself using your own savings and assets



Checking or savings accounts



Stocks, bonds or other investments



Insurance policy cash value



Pension funds



Income



Cost *could* exceed your savings

3 Long-term care insurance

Pay premiums in exchange for certain benefits related to long-term care



Benefits vary from policy to policy



Premium rates aren't guaranteed



Available for all types of care, covering only incurred expenses



Not all LTCi products offer additional benefits or payouts if the policy is not used

4 Hybrid solution

Combines the benefits of a life insurance policy or an annuity contract with a long-term care rider



Death benefit / cash value potential



Long-term care coverage



Single and joint protection options



Payout options as little as two years and long as lifetime



Annuity solutions can give coverage up to age 85

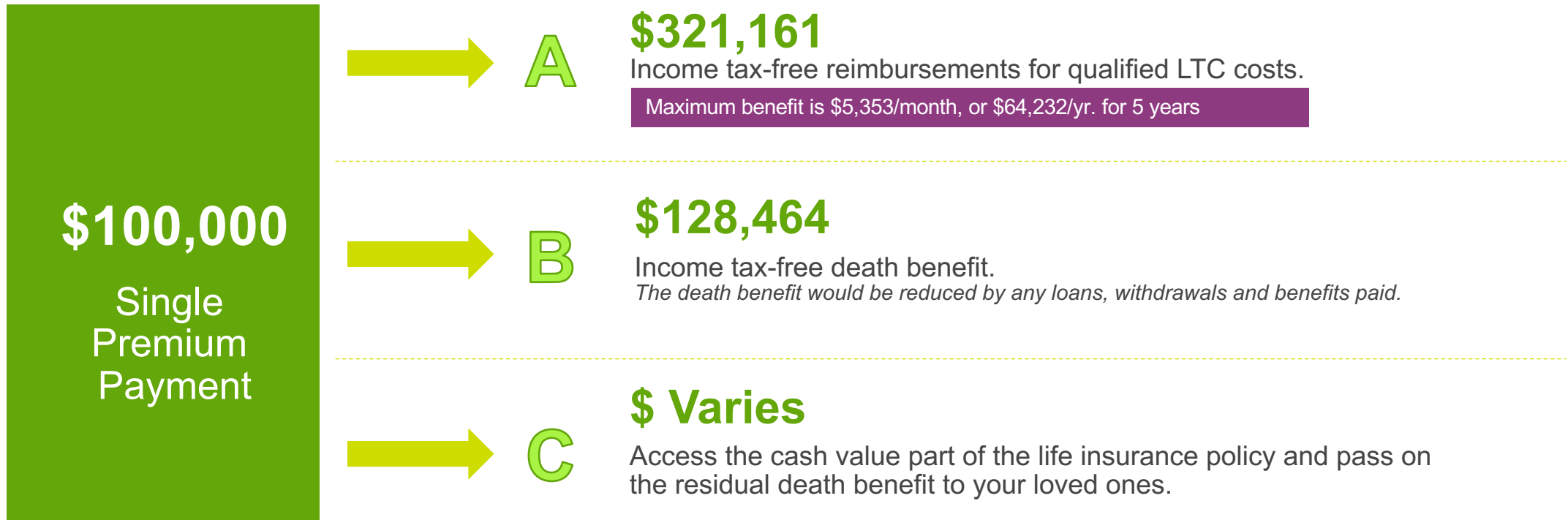
4 Hybrid solution

Benefits

Life insurance/LTC hybrid products	Annuities with LTC riders
Provide death benefit protection if the long-term care or chronic illness rider isn't used	Can deliver income options for couples
Deliver premiums that will not increase*	Provide additional tax advantages for Pension Protection Act qualified contracts ^{1,2}
May be available with simplified issue policies	Contracts are automatic issue, but LTC riders may require underwriting

4 Hybrid solution

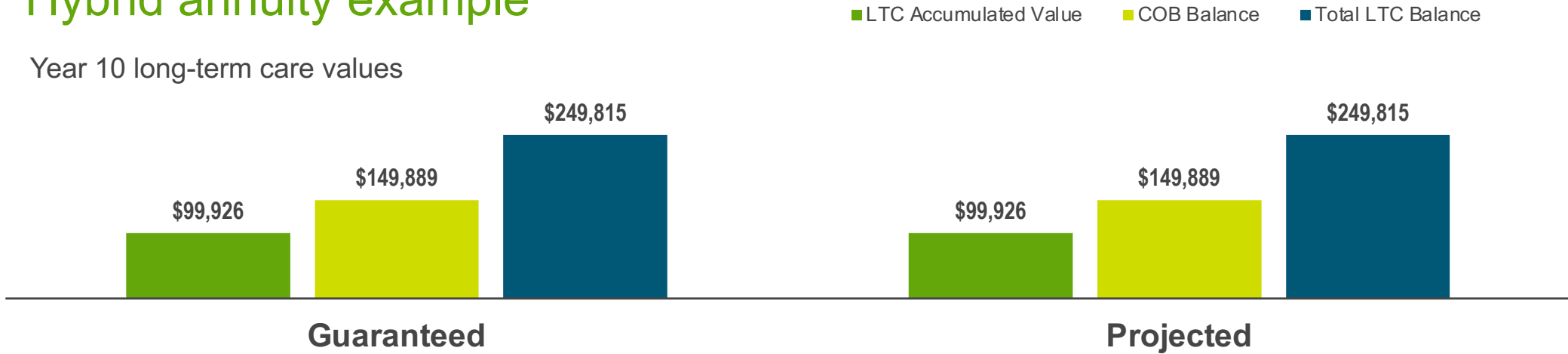
Hybrid life insurance example



4 Hybrid solution

Hybrid annuity example

Year 10 long-term care values



4 Hybrid solution

Types of plan payouts

Payout Types	Reimbursement (typically long-term care riders)	Indemnity (typically critical illness riders)	Cash-benefit
	Most common	More flexible but higher cost	Straightforward
Benefits	Reimburses for selected services and amounts	Receive a set amount per period of time (i.e. \$100/day)	Receive a monthly check for the dollar amount listed in the policy
	A caregiver must be certified	Can be used to compensate caregivers	Once the elimination period ends and you're eligible for benefits
Considerations	Only covers the actual expenses you incur	You receive the maximum monthly amount allowed in the policy, even if expenses are less.	

4 Hybrid solution

Types of riders



Long-term care rider



Chronic illness rider

Benefits for both are triggered when you either:

- Are unable to perform 2 of 6 activities of daily living (ADLs)
- or
- Have a severe cognitive impairment such as Alzheimer's disease

Consider this



Don't leave this financial and emotional burden to your loved ones...

or yourself.

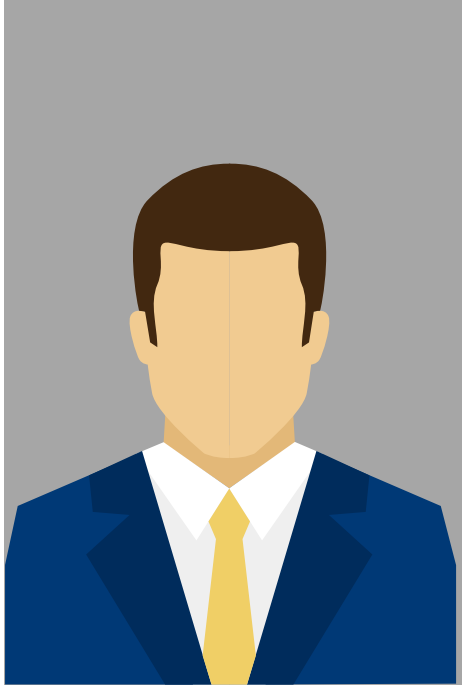


Plan for long-term care expenses.

Next steps

Bring to your appointment:

- ✓ Your retirement budget
- ✓ Your assets to potentially fund long-term care
- ✓ Basic health information including a list of current medications



Let's chart a path forward.

Name

Title

Phone

Email

Office Address

Important information

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