

# Long Term Care Planning Strategies in 2021



*Murray A. Gordon & Associates*

[www.magaltc.com](http://www.magaltc.com)

**CalCPA**  
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**Presented by:**

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**CalCPA**



## About Murray A. Gordon and Associates

[www.magaltc.com](http://www.magaltc.com)

- **MAGA's 3 Principles have over a 100 Yrs. of experience as LTC Planners**
- **Represents top LTCI carriers**
- **Experienced office staff**
- **Helped clients collect Tens of Millions of dollars in LTCI benefits**
- **Licensed nationally**
- **Work along with financial professionals for 20+ years**

*Murray A. Gordon and Associates*

# 7 Points

- 1) Importance of Long-Term Care Planning**
- 2) Different ways to fund a LTC plan**
- 3) Look at different Planning Strategies**
- 4) Cash Indemnity vs. Reimbursement**
- 5) Who Needs Care and Why**
- 6) Cost of Care**
- 7) Underwriting and COVID-19 changes**

# How to fund extended health care

- Long-term care insurance
  - Stand Alone
  - Asset Based/ Annuity or Life/LTC
- Government programs
- Self-funding
- Reverse Mortgage
- Qualified Funds
- Short Term Care



# Why people plan for LTC

- Maintain Independence
- Emotional/Physical well being of caregiver
- Retirement Portfolio
- Maintain quality care choices
- Protect assets
- Protect spouse's lifestyle and financial security
- Protect family legacy

# What's different because of COVID-19?

- **Some Carriers have lowered the max issue age temporarily.**
- **Some have put restrictions on applicants who are table rated from applying at this time.**
- **Most Carriers have made changes to their Underwriting procedures.**
  - Postpone all applicants who have had Flu like symptoms, COVID-19 or exposure to it. Will also postpone anyone who has traveled to high COVID-19 areas recently.
  - Phone interviews and Zoom calls in place of Face to Face Interviews- including exams that consist of Cognitive screening.
  - Special Underwriting considerations based off the applicant not wanting to complete a Face to Face or have state mandated Stay-at-Home order in place. Might be “Best-Offer”.
- **Price Re-rates.**

# Important LTC Questions

- Where are the LTC services provided?
- What effect could LTC have on my family and retirement strategy?
- What could LTC cost?
- What are the options to help pay for LTC?
- Is international coverage protection a priority?

# Tax-Qualified Long-Term Care Insurance 2021 Deductibility Limits



Attained age in tax year	Deductible Premium limit
40 or Less	\$450
More than 40 but not more than 50	\$850
More than 50 but not more than 60	\$1,690
More than 60 but not more than 70	\$4,520
More than 70	\$5,640



# 2021 Cost of Care\*

	Annual National Average	Annual California Average
Home Health Aid	\$58,619/ Year	\$65,300/ Year
Assisted Living Facility (One Bedroom)	\$57,610/ Year	\$67,733/ Year
Semi-Private Room	\$98,129/ Year	\$111,038/ Year
Private Room	\$112,291/ Year	\$132,368/ Year

*\*2021 Mutual of Omaha Updated Cost of Cost of Care survey*

# When do most people buy LTCI?



**In 2018,  
average issue  
Age was 56**

<u>Age</u>	<u>% of New Policies Issued</u>
Under 39	6.4%
40-49	10.9%
50-64	65%
65-69	13.1%
Over 70	4.6%

Source: 2019 Milliman LTCI Survey

# Risk Management and LTC

Wellness

Health  
Insurance



Transportation

Auto  
Insurance



Family & Wealth

Life &  
Disability  
Insurance



Home

Homeowner's  
Insurance

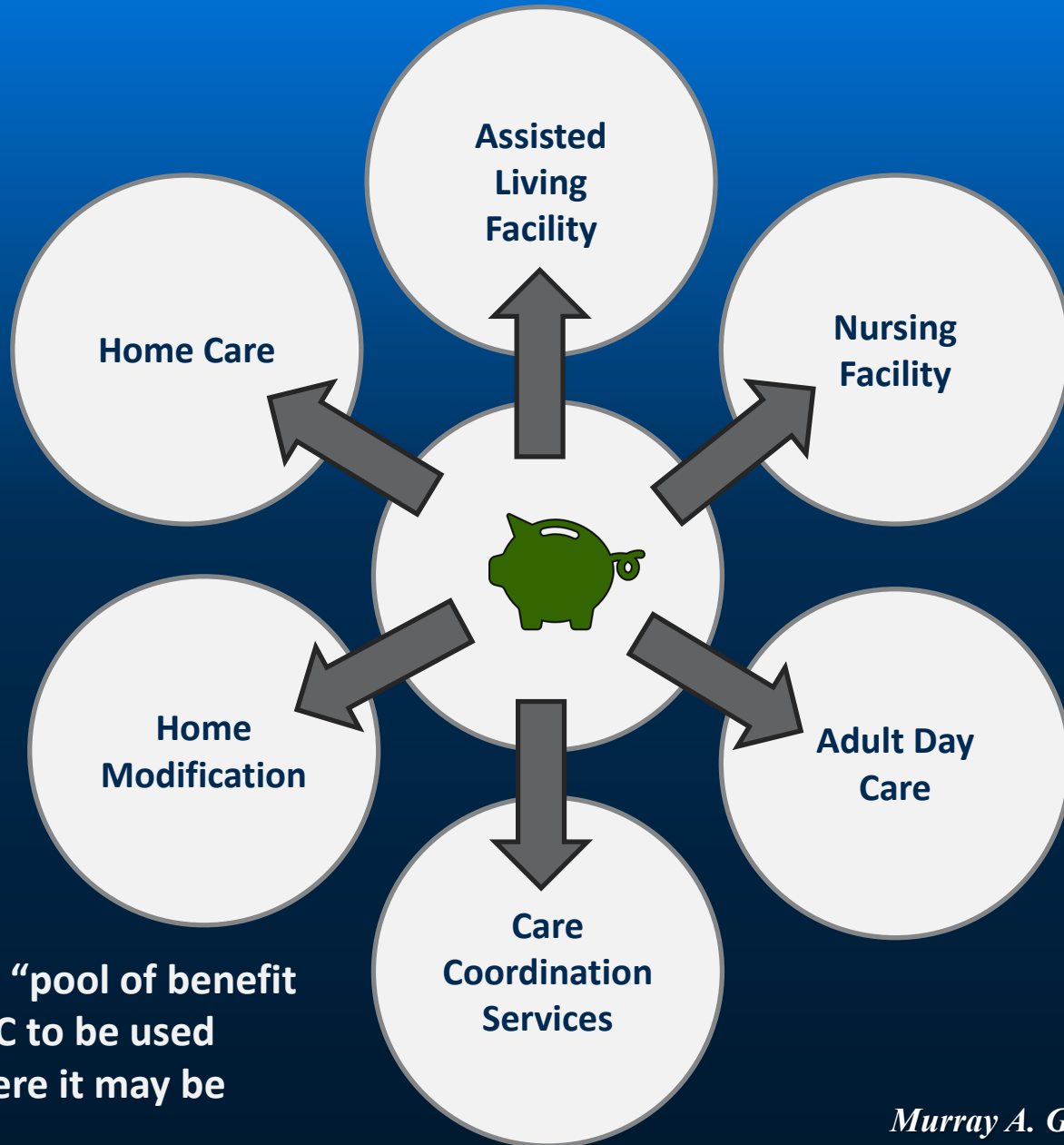


Retirement



**Why not help protect the retirement lifestyle you have worked your entire life to create?**

# What LTC Insurance Covers




LTC provides a “pool of benefit dollars” for LTC to be used when and where it may be needed

# Activities of Daily Living

- Bathing
- Continence
- Dressing
- Eating
- Toileting
- Transferring
- Cognitive Impairment



# Hybrid Long-Term Care (LTC) Product Types

LTC with Acceleration & Extension Products	Hybrid LTC Product Types	LTC Acceleration Products
Brighthouse <b>SmartCare</b>		AXA IUL <b>Protect</b>
Lincoln <b>MoneyGuard III</b>		John Hancock <b>Protection IUL</b>
Pacific Life <b>PremierCare</b>		Nationwide <b>No-Lapse Guarantee UL</b>
Nationwide <b>CareMatters II</b>		Pacific Life <b>Discovery Protector IUL</b>
One America <b>Asset Care</b>		Transamerica <b>FFIUL</b>
Securian <b>SecureCare</b>		
Mass Mutual <b>CareChoice One</b>		

# Simplifying the Client Experience

## LTC Benefit Options

Product	Total LTC Benefit Duration
Bighthouse <b>Smart Care</b>	4 or 6 Years
Lincoln <b>MoneyGuard II</b>	3, 4, 5, 6 & 7 Years
Pacific Life <b>Premier Care</b>	3, 4, 5, 6, 7 & 8 Years
Nationwide <b>CareMatters II</b>	2, 3, 5, 6 & 7 Years
Securian <b>SecureCare</b>	2, 3, 4, 5, 6 & 7 Years
One America <b>Asset Care</b>	25 Months to Life
National Guardian Life <b>EssentialLTC*</b>	2, 3, 4, 5, 6 & Lifetime
Mutual of Omaha <b>Secure Solutions*</b>	2, 3, 4 & 5 years
Thrivent*	2, 3, 4, 5 & 8 Years

\*Traditional LTC

# Premium Payment Options

Product	Premium Payment Options
Bighthouse <b>Smart Care</b>	Single Pay, Multi-Pay: 2, 3, 4 & 5 Years
Lincoln <b>MoneyGuard II</b>	Single Pay, Multi-Pay: Up to Age 70
Pacific Life <b>Premier Care</b>	Single Pay, Multi-Pay: 5, 10, 20 Years
Nationwide <b>CareMatters II</b>	Single Pay, Multi-Pay: 5, 10, Age 65, Lifetime
Securian <b>SecureCare</b>	Single Pay, Multi-Pay: 5, 7, 10 & 15 Years
One America <b>Asset Care</b>	Single Pay, Multi-Pay: 5, 10, 20 & to Age 95
National Guardian Life <b>EssentialLTC*</b>	Single Pay, Multi-Pay: 10 & Lifetime Pay
Mutual of Omaha <b>Secure Solutions*</b>	Lifetime Pay Only
Thrivent*	Multi Pay: 10 Pay & Lifetime Pay

\*Traditional LTC



# Issue Age: Hybrids

<b>Product</b>	<b>Minimum Issue Age</b>	<b>Maximum Issue Age</b>
<b>Brighthouse Smart Care</b>	<b>40</b>	<b>75</b>
<b>Lincoln MoneyGuard II</b>	<b>30</b>	<b>70</b>
<b>Pacific Life Premier Care</b>	<b>30</b>	<b>75</b>
<b>Nationwide CareMatters II</b>	<b>30</b>	<b>70</b>
<b>Securian SecureCare</b>	<b>40</b>	<b>75</b>
<b>One America Asset Care</b>	<b>35</b>	<b>80</b>

# Issue Age: Traditional

<b>Product</b>	<b>Minimum Issue Age</b>	<b>Maximum Issue Age</b>
National Guardian Life <b>EssentialLTC*</b>	<b>40</b>	<b>79</b>
Mutual of Omaha <b>Secure Solutions*</b>	<b>30</b>	<b>79</b>
Thrivent*	<b>18</b>	<b>79</b>

# LTC Benefit Payment Type

## Reimbursement

Lincoln **MoneyGuard II**

Pacific Life **Premier Care**  
(Choice at Time of Claim)

Securian **SecureCare**

National Guardian Life **EssentialLTC\***

Mutual of Omaha **Secure Solutions\***

Thrivent\*

## Indemnity

Brighthouse **Smart Care**

Nationwide **CareMatters II**

Securian **SecureCare**

Pacific Life **Premier Care**  
(75-80% of reimbursement Benefit)

\*Traditional LTC

# COVID-19 vs. Chronic and Critical Illness Riders

- **TQ LTC Rider-** Are triggered when a physician certifies that an insured needs substantial assistance performing at least two ADLs for at least 90 Days or is diagnosed with severe cognitive impairment.
- **Chronic Illness Rider-** the physician must also certify that *the illness is likely to last the rest of the insured's life*. So recoverable conditions like mild/moderate strokes and orthopedic repairs, which are covered under LTC riders, are not covered here.
- **Critical Illness Rider-** Critical Illness benefits are triggered when a physician diagnoses an insured with *one of several critical illnesses specified in the rider*.

# Case Study 1

- Couple Age 60
- California Residents
- Single Premium Deferred IRA and Current Interest Whole Life Insurance with Long Term Care Benefit
- \$100,000 Single Pay Premium
- \$3,416 Annual Premium for Lifetime Long Term Care Rider
- Policy will provide Unlimited Coverage with Approximately \$68,000/ Year per person.

Prepared for:

Mr. Valued Client

First Insured: Male Preferred (Non-Smoker)

Age: 60 State: CA

Mrs. Valued Client

Second Insured: Female Preferred (Non-Smoker)

Age: 60

Joint Class: 1

Joint Equal Age: 60

Initial Total Death Benefit: \$186,233

Contract Premium: \$100,000.00

It is assumed the premium will be paid no later than upon issuance of the policy.

Presented by: Brian Gordon

**Single Premium Deferred IRA and Asset-Care Joint Life Policy, Forms L301(CA)1 and SA31 (CA)**

**Description of Policy:** Asset-Care III is a combination of the Single Premium Deferred Individual Retirement Annuity (IRA) policy and the Current Interest Whole Life Insurance Policy with Comprehensive Long-Term Care Benefits for Either or Both Insureds. The annuity is paid with a single premium. Twenty annual withdrawals from the annuity policy can be used to fund the Life Insurance Policy.

The life insurance policy provides an initial death benefit of \$92,759, which is payable on the death of the second insured to die. The life insurance policy's death benefit can be used by each insured prior to death to pay for long-term care expenses. In addition, the annuity provides an initial death benefit of \$93,474, which is payable on the death of the annuitant.

In addition to paying the annual premium on the life insurance policy, the annuity's accumulated value can be used by the annuitant or his or her spouse prior to death to pay for long-term care expenses. Payment of long-term care benefits will, however, reduce the amount available for payment of the life insurance premium.

Death benefits and long-term care benefits from either policy may be decreased by any prior distribution (loans, partial withdrawals, or payment of long-term care benefits). Check the outline of coverage for the life insurance policy for exclusions and limitations. Payment of all benefits is subject to the terms and conditions of the policy.

**Other Things You Should Know About These Policies:**

**Return of Premium:** If you decide Asset Care III no longer meets your needs, we will return to you no less than the single premium you paid for the Annuity policy, reduced by any prior distributions (loans, non-automatic annuity withdrawals, long-term care benefits paid). Premiums paid for any riders or additional benefits may not be eligible for Return of Premium.

**Revised Illustration:** This illustration assumes the life insurance policy is issued in the Class 1 underwriting class. If the policy cannot be issued as Class 1, either the premium or the amount of life insurance may change. If so, you will receive a revised illustration with your insurance contract.

**Guaranteed Elements:** Many elements of these contracts are guaranteed, including the minimum interest rates, and the maximum cost of insurance charges on the life insurance policy. Those elements cannot be changed.

**Non-Guaranteed Elements:** Certain elements of these policies cannot be predicted with absolute certainty and can be changed from time to time by  These elements are non-guaranteed and usually include the current interest rates, and the current cost of insurance charges on the life insurance policy. These non-guaranteed elements will affect each policy's death benefit, long-term care benefit balance, accumulated value and cash surrender value.

The pages of this illustration which show non-guaranteed elements show your policies' combined values when they are calculated using interest which is higher than the guaranteed minimum interest rates, and cost of insurance charges on the life insurance policy which are lower than the guaranteed maximum cost of insurance charges. These values cannot be predicted with absolute certainty.

## Single Premium Deferred IRA and Current Interest Whole Life Insurance

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Single Premium Deferred IRA and Current Interest Whole Life Insurance with Long-Term Care Benefits - Basic Illustration

Prepared for:

Mr. Valued Client

First Insured: Male Preferred (Non-Smoker)

Age: 60 State: CA

Mrs. Valued Client

Second Insured: Female Preferred (Non-Smoker)

Age: 60

Joint Class: 1 Joint Equal Age: 60

Contract Premium: \$100,000.00

It is assumed the premium will be paid no later than upon issuance of the policy.

Presented by: Brian Gordon

Annuity Policy SA31 (CA)

----- Guaranteed -----  
at 3.00%

----- Illustrated (Non-Guaranteed) -----  
at 3.00%\*

End of Policy Year	Joint Age of Annuitant	Annuity Withdrawal**	Accumulated Value	Cash Surrender Value	Annuity Withdrawal**	Accumulated Value	Cash Surrender Value
1	61	\$6,525.78	\$96,278	\$87,893	\$6,525.78	\$96,278	\$87,893
2	62	\$6,525.78	\$92,445	\$85,267	\$6,525.78	\$92,445	\$85,267
3	63	\$6,525.78	\$88,497	\$82,465	\$6,525.78	\$88,497	\$82,465
4	64	\$6,525.78	\$84,430	\$79,480	\$6,525.78	\$84,430	\$79,480
5	65	\$6,525.78	\$80,242	\$76,305	\$6,525.78	\$80,242	\$76,305
6	66	\$6,525.78	\$75,927	\$72,933	\$6,525.78	\$75,927	\$72,933
7	67	\$6,525.78	\$71,484	\$69,358	\$6,525.78	\$71,484	\$69,358
8	68	\$6,525.78	\$66,907	\$65,572	\$6,525.78	\$66,907	\$65,572
9	69	\$6,525.78	\$62,192	\$61,570	\$6,525.78	\$62,192	\$61,570
10	70	\$6,525.78	\$57,337	\$57,337	\$6,525.78	\$57,337	\$57,337
11	71	\$6,525.78	\$52,335	\$52,335	\$6,525.78	\$52,335	\$52,335
12	72	\$6,525.78	\$47,184	\$47,184	\$6,525.78	\$47,184	\$47,184
13	73	\$6,525.78	\$41,878	\$41,878	\$6,525.78	\$41,878	\$41,878
14	74	\$6,525.78	\$36,412	\$36,412	\$6,525.78	\$36,412	\$36,412
15	75	\$6,525.78	\$30,783	\$30,783	\$6,525.78	\$30,783	\$30,783
16	76	\$6,525.78	\$24,985	\$24,985	\$6,525.78	\$24,985	\$24,985
17	77	\$6,525.78	\$19,013	\$19,013	\$6,525.78	\$19,013	\$19,013
18	78	\$6,525.78	\$12,862	\$12,862	\$6,525.78	\$12,862	\$12,862
19	79	\$6,525.78	\$6,526	\$6,526	\$6,525.78	\$6,526	\$6,526
20	80	\$6,525.78	\$0	\$0	\$6,525.78	\$0	\$0
25	85	\$0.00	\$0	\$0	\$0.00	\$0	\$0
30	90	\$0.00	\$0	\$0	\$0.00	\$0	\$0
35	95	\$0.00	\$0	\$0	\$0.00	\$0	\$0
40	100	\$0.00	\$0	\$0	\$0.00	\$0	\$0
45	105	\$0.00	\$0	\$0	\$0.00	\$0	\$0
50	110	\$0.00	\$0	\$0	\$0.00	\$0	\$0
55	115	\$0.00	\$0	\$0	\$0.00	\$0	\$0
60	120	\$0.00	\$0	\$0	\$0.00	\$0	\$0

# Single Premium Deferred IRA and Current Interest Whole Life Insurance

The Annuity Withdrawal includes \$164.48 for cost of enhanced LTC monthly payout for the first 20 years.

\*The benefits and values shown are not guaranteed. Actual values may be more or less favorable than those illustrated. See columns at left for guaranteed values.

\*\* Represents withdrawal to pay the life insurance premium plus any amount necessary to meet the IRS required minimum distribution rules. The difference between the life premium and the total annuity withdrawal may be sent to the annuity owner. After 20 years, the life insurance policy is paid up, and any amount shown represents the IRS required minimum distribution. Annuity withdrawals are made at the beginning of each policy year. Other values are illustrated at policy year-end.

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Single Premium Deferred IRA and Current Interest Whole Life Insurance with Long-Term Care Benefits - Basic Illustration

Prepared for:

Mr. Valued Client  
Mrs. Valued Client

First Insured: Male Preferred (Non-Smoker)  
Second Insured: Female Preferred (Non-Smoker)

Age: 60 State: CA  
Age: 60

Joint Class: 1 Joint Equal Age: 60

Initial Total Death Benefit: \$186,233

Contract Premium: \$100,000.00

It is assumed the premium will be paid no later than upon issuance of the policy.

Presented by: Brian Gordon

----- Guaranteed -----  
4.00%

End of Policy Year	Insureds' Joint Equal Age	Contract Premium	Life Insurance Premium and RMD	Total Accumulated Value	Total Cash Surrender Value*	Total Death Benefit/ LTC Benefit Balance**
1	61	\$100,000.00	\$6,525.78	\$100,543	\$100,000	\$189,037
2	62	\$0.00	\$6,525.78	\$101,145	\$99,934	\$189,038
3	63	\$0.00	\$6,525.78	\$101,803	\$99,803	\$189,039
4	64	\$0.00	\$6,525.78	\$102,519	\$99,605	\$189,041
5	65	\$0.00	\$6,525.78	\$103,299	\$99,342	\$189,042
6	66	\$0.00	\$6,525.78	\$104,140	\$100,017	\$189,042
7	67	\$0.00	\$6,525.78	\$105,046	\$101,914	\$189,043
8	68	\$0.00	\$6,525.78	\$106,018	\$103,901	\$189,042
9	69	\$0.00	\$6,525.78	\$107,056	\$105,986	\$189,043
10	70	\$0.00	\$6,525.78	\$108,162	\$108,162	\$189,044
11	71	\$0.00	\$6,525.78	\$109,335	\$109,335	\$189,045
12	72	\$0.00	\$6,525.78	\$110,569	\$110,569	\$189,047
13	73	\$0.00	\$6,525.78	\$111,861	\$111,861	\$189,048
14	74	\$0.00	\$6,525.78	\$113,208	\$113,208	\$189,048
15	75	\$0.00	\$6,525.78	\$114,598	\$114,598	\$189,049
16	76	\$0.00	\$6,525.78	\$116,022	\$116,022	\$189,051
17	77	\$0.00	\$6,525.78	\$117,464	\$117,464	\$189,051
18	78	\$0.00	\$6,525.78	\$118,911	\$118,911	\$189,052
19	79	\$0.00	\$6,525.78	\$120,338	\$120,338	\$189,053
20	80	\$0.00	\$6,525.78	\$121,715	\$121,715	\$189,053
25	85	\$0.00	\$0.00	\$140,072	\$140,072	\$189,053
30	90	\$0.00	\$0.00	\$154,984	\$154,984	\$189,053
35	95	\$0.00	\$0.00	\$164,989	\$164,989	\$189,053
40	100	\$0.00	\$0.00	\$171,543	\$171,543	\$189,053
45	105	\$0.00	\$0.00	\$175,080	\$175,080	\$189,053
50	110	\$0.00	\$0.00	\$177,906	\$177,906	\$189,053
55	115	\$0.00	\$0.00	\$180,245	\$180,245	\$189,053
60	120	\$0.00	\$0.00	\$184,325	\$184,325	\$189,053

# Single Premium Deferred IRA and Current Interest Whole Life Insurance

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Represents withdrawal to pay the life insurance premium plus any amount necessary to meet the IRS required minimum distribution rules. The difference between the life insurance premium and the total annuity withdrawal may be sent to the annuity owner. After 20 policy years, the life insurance policy is paid up, and any amount shown represents the IRS required minimum distribution.

The Life Insurance Premium includes \$164.48 for cost of enhanced LTC monthly payout for the first 20 years.

\* The amount illustrated is the greater of the cash surrender value and the return of premium amount.





Single Premium Deferred IRA and Current Interest Whole Life Insurance with Long-Term Care Benefits - Supplemental Illustration

Prepared for:

Mr. Valued Client  
Mrs. Valued Client

First Insured: Male Preferred (Non-Smoker)  
Second Insured: Female Preferred (Non-Smoker)

Age: 60 State: CA  
Age: 60

Joint Class: 1 Joint Equal Age: 60

Initial Total Death Benefit: \$186,233

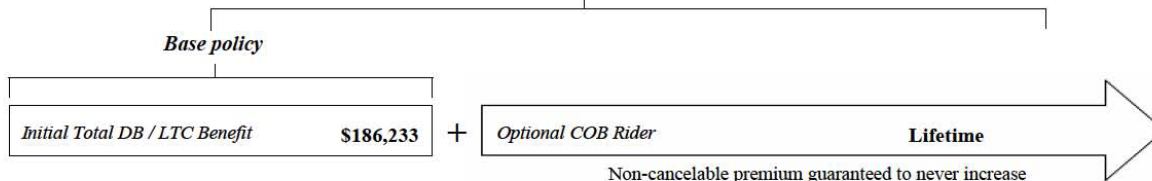
Contract Premium: \$100,000.00

It is assumed the premium will be paid no later than upon issuance of the policy.

Presented by: Brian Gordon

	Base Policy (Both Insureds)	OR	Base Policy + COB Continuous Pay Rider (Both Insureds)
Initial Total Death Benefit	\$186,233		\$186,233
Initial Total LTC Benefit Balance	\$186,233		Unlimited
Initial Total LTC Benefit Period	33 months		Lifetime
Initial Monthly Benefit <i>Home Health Care, LTC Facility, Assisted Living Facility, Adult Day Care, (additional services covered - see Basic Illustration)</i>	\$5,587  <i>Per Person</i>		\$5,587  <i>Per Person</i>
20th Year Total LTC Balance	\$189,053		Unlimited
20th Year Monthly LTC Benefit	\$5,672 <i>Per Person</i>		\$5,672 (Base) \$5,587 (COB) <i>Per Person</i>
Inflation Option	0% Simple		Base 0% Simple Rider 0% Compound
Waiting Period  <i>-Home Health Care -Elimination Period for Other LTC services</i>	30 days 60 days		30 days 60 days
<b><i>1st Year Premium</i></b>	\$100,000.00		\$103,416.60
<i>Subsequent COB Premium</i>	\$0.00		\$3,416.60 (annually)

Base policy + LTC Benefits Continuation Rider



# Single Premium Deferred IRA and Current Interest Whole Life Insurance

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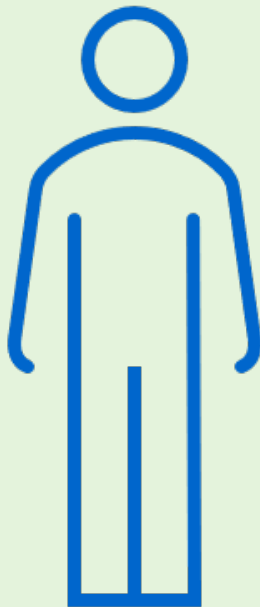
Benefits and values are based on guaranteed minimum interest rates, guaranteed maximum cost of insurance charges, all other charges, and assume no loans and/or withdrawals.

This is a supplemental illustration. The values are based on the proposed premium shown. See attached basic illustration for important information. More LTC Benefits Continuation Rider information is located at the end of the illustration.



# Funding with Qualified Money

## Funding you LTC



- Funding: 401K, IRA, 403b
- Guaranteed cash value growth
- Optional COB rider may extend LTC benefits beyond the base face amount



\$336,999

401K, IRA , 403b



\$40,440

10 Pay Whole Life Premium  
(Annually)



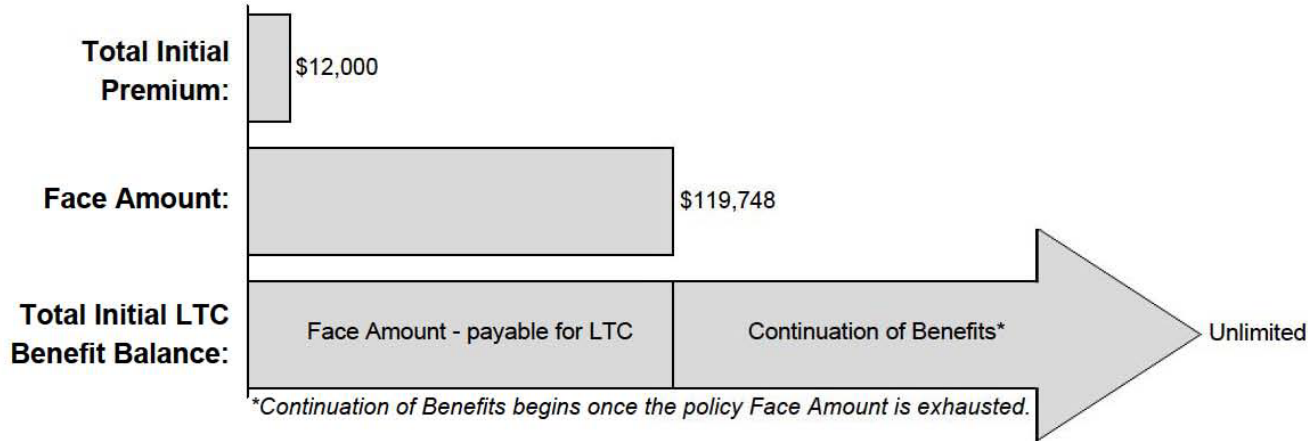
\$250,000

Whole Life Face Amount

State: IL

Prepared for: Mr. Valued Client  
Male, 60  
Class: Non-Tobacco

Mrs. Valued Client  
Female, 60  
Class: Non-Tobacco



## Annuity Funding Whole Life

**Initial LTC Benefit Limit,  
For One or Both Individuals:**

\$7,185 Monthly (\$3,592 Monthly, per person)

**End of Year 10 LTC Benefit Limit,  
For One or Both Individuals:**

\$7,184 Monthly (\$3,592 Monthly, per person)

### Premiums:

Single Pay Annuity Premium - \$100,000

10-Pay Life Premium\*\*\* - \$6,385

10-Pay LTC Premium\*\*\* - \$5,615

\*\*\*Automatically funded by withdrawals from Single Pay Annuity. See Ledger page for details.

### Features and Benefits:

Benefit Period - 33 Months AOB<sup>1</sup> / Lifetime COB<sup>2</sup>

Inflation Option - 0% AOB<sup>1</sup> / 0% COB<sup>2</sup>

Inflation Duration - N/A

Guaranteed Cash Value

Waiver of Premium

<sup>1</sup> Acceleration of Benefits

<sup>2</sup> Continuation of Benefits

State: IL

Prepared for: Mr. Valued Client  
Male, 60  
Class: Non-Tobacco

Mrs. Valued Client  
Female, 60  
Class: Non-Tobacco

Single Premium: \$99,999.58

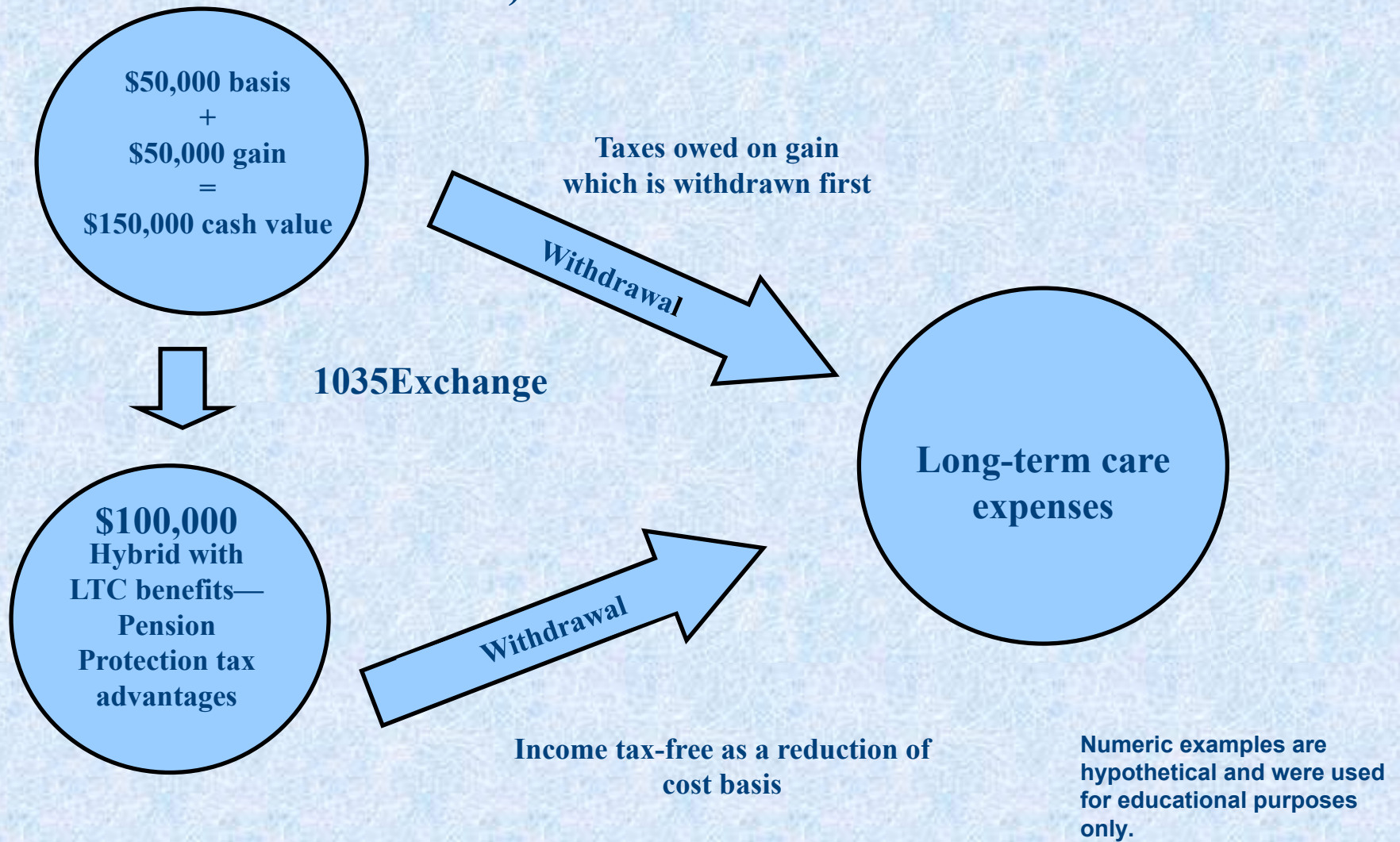
End of Policy Year	Life Premium / Annuity Withdrawal	Total Cash Surrender Value	Total Death Benefit	Total LTC Balance	AOB Monthly Benefit Limit	COB Monthly Benefit Limit
1	\$11,999.95	\$80,883	\$208,630	Unlimited	\$3,592	\$3,592
2	\$11,999.95	\$75,139	\$197,399	Unlimited	\$3,592	\$3,592
3	\$11,999.95	\$70,830	\$186,056	Unlimited	\$3,592	\$3,592
4	\$11,999.95	\$66,399	\$174,599	Unlimited	\$3,592	\$3,592
5	\$11,999.95	\$61,849	\$163,028	Unlimited	\$3,592	\$3,592
6	\$11,999.95	\$57,182	\$151,340	Unlimited	\$3,592	\$3,592
7	\$11,999.95	\$52,405	\$139,536	Unlimited	\$3,592	\$3,592
8	\$11,999.95	\$47,518	\$127,614	Unlimited	\$3,592	\$3,592
9	\$11,999.95	\$46,661	\$119,748	Unlimited	\$3,592	\$3,592
10	\$11,999.95	\$53,775	\$119,748	Unlimited	\$3,592	\$3,592
11	\$0.00	\$55,827	\$119,748	Unlimited	\$3,592	\$3,592
12	\$0.00	\$57,935	\$119,748	Unlimited	\$3,592	\$3,592
13	\$0.00	\$60,100	\$119,748	Unlimited	\$3,592	\$3,592
14	\$0.00	\$62,316	\$119,748	Unlimited	\$3,592	\$3,592
15	\$0.00	\$64,579	\$119,748	Unlimited	\$3,592	\$3,592
20	\$0.00	\$76,370	\$119,748	Unlimited	\$3,592	\$3,592
25	\$0.00	\$87,978	\$119,748	Unlimited	\$3,592	\$3,592
30	\$0.00	\$97,501	\$119,748	Unlimited	\$3,592	\$3,592
35	\$0.00	\$103,968	\$119,748	Unlimited	\$3,592	\$3,592
40	\$0.00	\$108,276	\$119,748	Unlimited	\$3,592	\$3,592
45	\$0.00	\$110,587	\$119,748	Unlimited	\$3,592	\$3,592
50	\$0.00	\$112,422	\$119,748	Unlimited	\$3,592	\$3,592
55	\$0.00	\$113,934	\$119,748	Unlimited	\$3,592	\$3,592
60	\$0.00	\$115,142	\$119,748	Unlimited	\$3,592	\$3,592
61	\$0.00	\$119,748	\$119,748	Unlimited	\$3,592	\$3,592

## Annuity Funding Whole Life

Table assumes policy and rider remain in force and values have not been decreased by any loan balance or withdrawals made through a given year.



# Existing life or annuity policy (funded with after-tax dollars)



Income tax-free as a reduction of cost basis

Numeric examples are hypothetical and were used for educational purposes only.

## MAGA Ltd. Long Term Care Insurance Market Comparison

(Male Non-Smoker Age 54) and (Female Non-Smoker Age 54) – State of CA

	Hybrid Life/LTCI	Hybrid Life/LTCI	Stand-Alone LTCI
	Nationwide CareMatters Individual Policies	One America Asset Care Shared Policy	National Guardian Life Shared Policy
LTC Benefit Facility & HHC <b>Today</b>	\$6,000/Month per person	\$6,000/Month per person	\$200/Day per person
Inflation Rider	3% Simple	3% Compound * <b>COB Rider Only</b>	3% Compound
LTC Benefit Facility & HHC <b>at age 85</b>	\$11,400/Month per person	\$15,000/Month	\$500/Day
Benefit Period	6 Years of Coverage per person	33 Month Base/Lifetime COB Rider	6 Years of Coverage or Lifetime Coverage per person
LTC Benefit "Pool" <b>Today</b>	\$432,000 per person	Unlimited	6 Year Pool \$438,000 Lifetime = Unlimited per person
LTC Benefit "Pool" <b>at age 85</b>	\$853,200 per person	Unlimited	6 Year Pool \$ Lifetime = Unlimited per person
Elimination Period	90 Days HHC & Facility per person	0 Days HHC & 90 Days Facility per person	90 Days HHC & Facility per person
Benefit Form	Cash Indemnity**	Reimbursement***	Reimbursement***
Life Insurance Benefit	\$144,0000 per person (LTC reimbursement will reduce the death benefit dollar for dollar)	\$200,000 2 <sup>nd</sup> to Die (LTC reimbursement will reduce the death benefit dollar for dollar)	N/A
Residual Death Benefit	\$28,800 per person	N/A	N/A
Premium Period	10 Annual Payments or Single Lump Sum Payment	20 Annual Payments, 10 Annual Payments or Single Lump Sum Payment	10 Annual Payments or Single Lump Sum Payment
Guaranteed Premium	Yes	Yes	No - Subject to Rate Increases
<b>Premium</b>	Male \$14,214/ Female \$13,208 <b>10 Pay Total \$27,422</b> Male \$120,641 / Female \$144,745 <b>Single Pay Total \$265,386</b>	<b>20 Pay Joint Total \$17,150</b> <b>10 Pay Joint Total \$28,508</b> <b>Single Pay Joint Total \$220,418</b>	<b>6 Year Plan 10 Pay Joint Total \$18,644</b> <b>6 Year Plan Single Pay Joint Total \$178,606</b> <b>Lifetime Plan 10 Pay Joint Total \$23,018</b> <b>Lifetime Plan Single Pay Joint Total \$220,502</b>

**This quote is subject to full underwriting and not a guarantee of rate of coverage.**

\*COB Inflated Benefit starts after the 33 Month Base/Death Benefit has been exhausted, then the plan has unlimited coverage.

\*\*Will allow client to take the maximum benefit once approved for claim (LTC benefits paid directly to policy owner).

\*\*\*Will reimburse for services received up to the monthly benefit amount.

Once the Nationwide elimination period has been met and the client is benefit eligible, the carrier will pay back the first 90 Days and Month 4.

National Guardian Life rounds to the nearest age within 6 months. Quotes include Share Care. Shared Care not available with Lifetime Coverage.

Stand-Alone “Traditional” LTCI Premium Summary

	Plan I	Plan II	Plan III
Male Age 40 & Female Age 40	\$4,445.62	\$3,716.00	\$12,124.00
Male Age 50 & Female Age 50	\$5,395.68	\$4,446.00	\$12,465.00
Male Age 60 & Female Age 60	\$7,037.26	\$5,709.00	\$13,617.00

### Hybrid Life/LTCI Premium Summary

	Plan I (Individual Policies)	Plan II (Joint Policy)
Male Age 40 & Female Age 40	Male \$9,468/Female \$11,441 <b>10 Pay Total \$20,909</b>	Base \$6,432/COB \$15,928 <b>10 Pay Total \$22,414</b>
Male Age 50 & Female Age 50	Male \$10,964/Female \$12,846 <b>10 Pay Total \$23,810</b>	Base \$8,086/COB \$18,048 <b>10 Pay Total \$26,134</b>
Male Age 60 & Female Age 60	Male \$13,099/Female \$15,623 <b>10 Pay Total \$28,722</b>	Base \$10,664/COB \$20,884 <b>10 pay Total \$31,548</b>



# Important points to remember

- Extended health care is not only a life changing event for an individual, it's also life changing for the family
- Preparing can help lessen the impact
- Options exist

# Resources for seniors and their families:

**homethrive**

Geriatric Care Managers

[www.homethrive.com/careguides](http://www.homethrive.com/careguides)

**AGING (i)fe CARE**  
ASSOCIATION

[www.aginglifecare.org](http://www.aginglifecare.org)

**HomeHealthCare**  
AGENCIES.com

[www.homehealthcareagencies.com](http://www.homehealthcareagencies.com)

**Elder  
Law  
Answers**

[www.elderlawanswers.com.com](http://www.elderlawanswers.com.com)

**SENIOR LIVING EXPERTS®**

**Our Experience, Your Choice.**

[www.seniorlivingexperts.com](http://www.seniorlivingexperts.com)

# If you, your family, or clients need assistance

- Innovative LTC planning ideas
- LTCI quotes & applications
- LTCI education & support
- Medicare Supplements & Term Life solutions
- Claims assistance & consultation
- CFP Approved Continuing Ed

## For Quotes, Questions or Reviews

**Brian Gordon**      or      **Peter Florek**  
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## For Consultation/ Claim Service

**Jolene Winter**  
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