

A Pocket Guide To The Myriad Of LTC Funding Options

Client's Top Priority	Solution	Considerations
Protect assets from an extended health care event	Traditional LTCi	<p>PRO: Maximizes LTC leverage while minimizing premium commitment. Potentially tax deductible particularly for businesses.</p> <p>CON: Premiums not guaranteed, lack of flexibility</p>
Protect assets from an extended health care event while retaining maximum flexibility	Asset Based LTCi	<p>PRO: Maximizes flexibility while still retains a primary objective of providing a substantial benefit for an LTC event. Provides Return of Premium, Death Benefit, and LTCi. Guarantees level premiums.</p> <p>CON: Reduced death benefit when compared to Life with rider option. Reduced LTC pool when compared to traditional LTCi</p>
Maximizing Death Benefit while retaining some flexibility	Traditional Life Insurance with an accelerated benefit rider	<p>PRO: Provides largest Death Benefit while retaining flexibility to pay for LTC costs. Better suited to pay for benefits on a monthly basis if needed.</p> <p>CON: Reduced LTC benefit when compared to Traditional LTC and Asset Based LTC. Typically does not offer 100% ROP.</p>
Long Term Care options late in life with potential health concerns	Fixed or Indexed Annuity with LTC Rider	<p>PRO: Provides streamlined underwriting for clients with current health concerns while turning tax deferred growth to potentially tax free income.</p> <p>CON: No immediate leverage of the base asset and limited growth opportunities when compared to alternative annuity options.</p>
Access to money	Self-fund	<p>PRO: Zero upfront cost while retaining liquidity.</p> <p>CON: Pay dollar for dollar for any care needed. Estate serves as primary funding source.</p>