



# Creating a long-term care strategy

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# Important information

The sale strategies in this presentation are not suitable for all clients. Please consider the suitability of all products prior to considering one of these strategies. When considering a sales strategy, you must review your overall needs, investment objectives, time horizon, risk tolerance, tax consequences and ability to continually invest in a product as outlined in the proposed strategy. Please have the product guide available for more detailed information about any product prior to purchasing.

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- Guarantees and coverage are based on the claims paying ability of the issuing company
- Investing involves risk, including the possible loss of principal
- As your personal situations change (i.e., marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure this product is suitable for your long-term life insurance needs. You should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as gender, health and age, and has additional charges for riders that customize a policy to fit your individual needs.

The information is intended to provide a broad education on the different products and categories shown.



# Agenda

- 1 The need for long-term care planning
- 2 The long-term care spectrum
- 3 Stand-alone LTC overview
- 4 Linked benefit LTC overview
- 5 Life Insurance with a rider overview
- 6 Feature comparison
- 7 Asking the right questions
- 8 Recap

# The need for LTC planning

By 2030



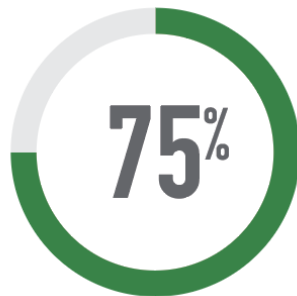
**1 in 5**

Americans  
will be 65  
or older.\*



Number of Alzheimer's  
cases expected by 2050  
for people age 65 and  
older.†

## The face of care



Of all caregivers  
are women‡

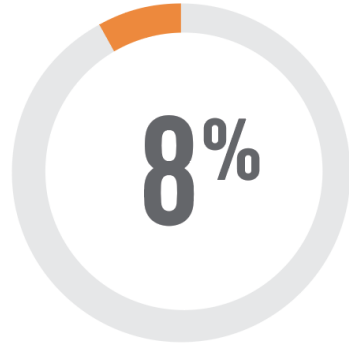
\*Centers for Disease Control, "Health, United States, 2016", p. 11. U.S. <https://www.cdc.gov/nchs/data/abus/abus16.pdf#014>

†Alzheimer's Association, "2017 Alzheimer's Disease Facts and Figures," *Alzheimer's & Dementia*, 2017:13:325-373, p. 24, [http://www.alz.org/documents\\_custom/2017-facts-and-figures.pdf](http://www.alz.org/documents_custom/2017-facts-and-figures.pdf), January 2017.

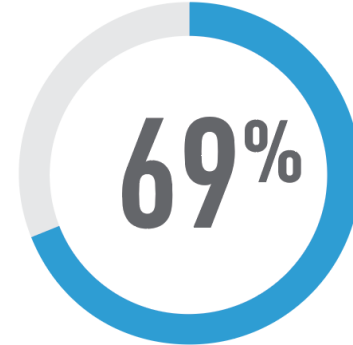
‡Family Caregiver Alliance, National Center on Caregiving, "Caregiver Statistics: Demographics," FCA, <https://www.caregiver.org/caregiver-statistics-demographics>, 2016

# The need for LTC planning

People with disabilities may need long-term care



of Americans between the **ages of 40 and 50** have a disability that could require LTC services.



of people, **age 90** and above, have a disability.

# The need for LTC planning

Women live longer and are more at risk than men



23 years

At age 65, women have a life expectancy of 23 more years, or age 88.<sup>1</sup>



**Biological reasons**  
increasing risk  
for females



**Gender-biased**  
expectations  
about caregiving



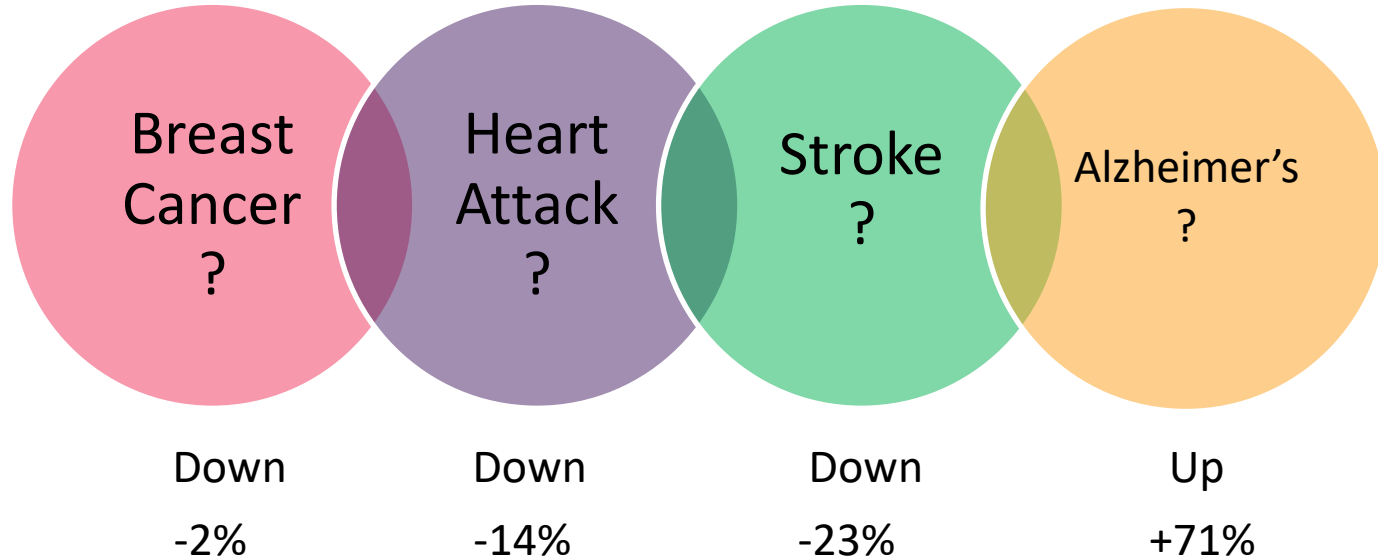
**Financial risks**  
of needing or  
providing care

<sup>1</sup>Sponsored by American Academy of Actuaries and Society of Actuaries, "Actuaries Longevity Illustrator," [www.longevityillustrator.org](http://www.longevityillustrator.org) (accessed February 14, 2017).

# .....Health in America

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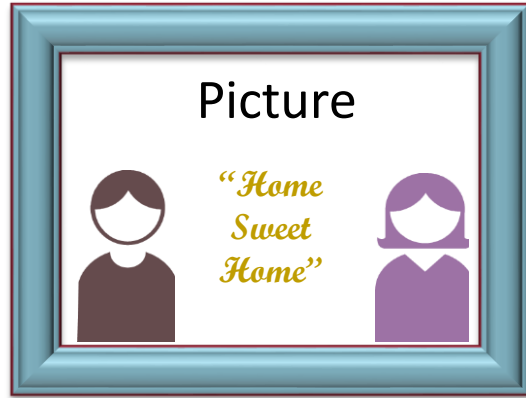
How has mortality changed as a result of the following health conditions since the year 2000? **Up** or **down**?



# Have you thought about.....

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..... what you would do if you needed some help with your care?



Having a plan **for** you, planned **by** you, is important...



# when you plan ahead.....

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your **wishes** are more likely to be implemented,  
and

your **loved ones** won't have to:

..... wonder

..... worry

..... disagree



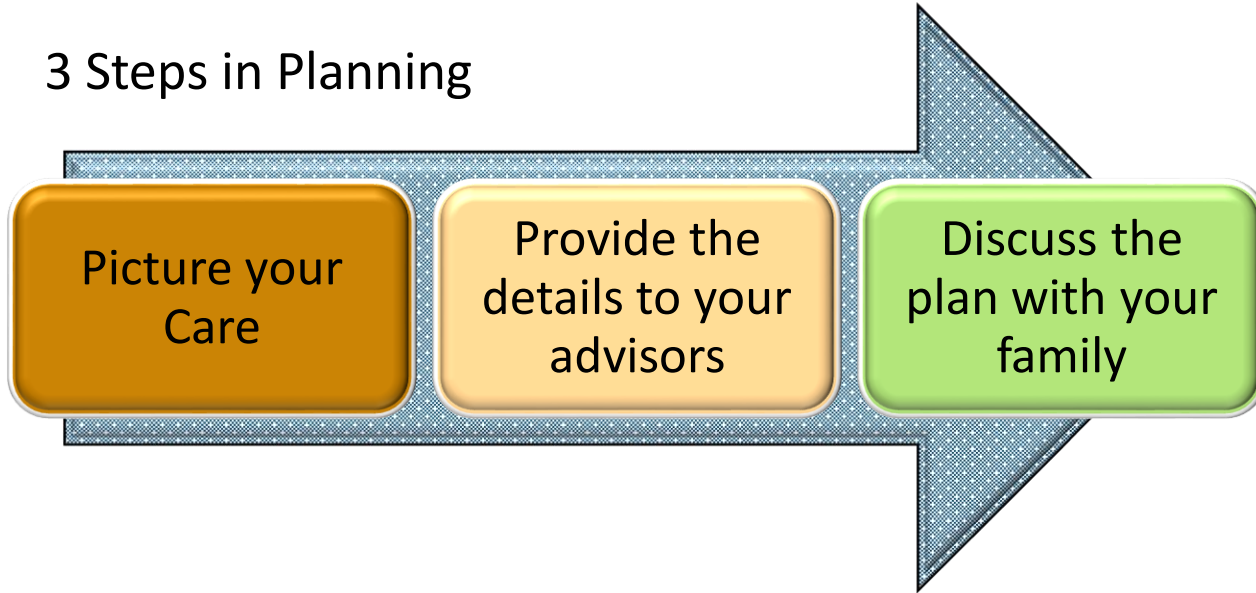
## Let's start planning



.....Steps to help you personalize and  
plan a long-term care strategy

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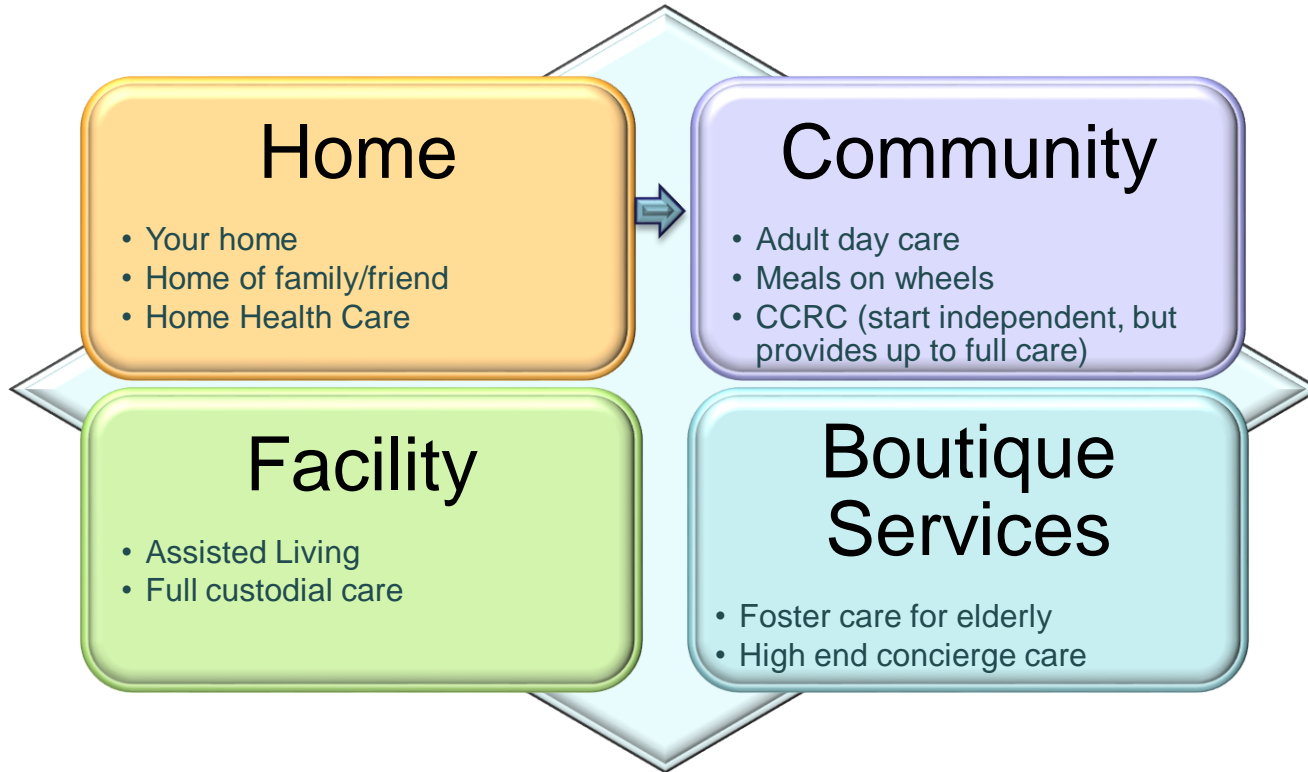
### 3 Steps in Planning



Then..... make sure there are funds for **your plan**

.....what care options might fit into your picture?

Care options include .....but are not limited to



# “A government program will take care of me.”

## ***FACTS:***



Government programs are tough to qualify for.



Public programs like Medicare, Medicaid and veterans' services may help pay for some LTC services in certain circumstances. Yet programs have very specific rules.



When Medicaid does pay someone's LTC costs, federal law requires states to recover money spent from the person's estate.



Government programs are limited by availability and financial resources.



# Cost of Care

## Ohio - State Median

### Monthly Cost

2018

2028

#### Home Health Care

Homemaker Services

\$4,004

\$5,381

Homemaker Health Aide

\$4,099

\$5,509

*Based on annual rate divided by 12 months (assumes 44 hours per week).*

#### Adult Day Health Care

Adult Day Health Care

\$1,322

\$1,777

*Based on annual rate divided by 12 months.*

#### Assisted Living Facility

Private, One Bedroom

\$4,278

\$5,749

*As reported, monthly rate, private, one bedroom.*

#### Nursing Home Care

Semi-Private Room

\$7,118

\$9,566

Private Room

\$7,908

\$10,628

*Based on annual rate divided by 12 months.*



# Cost of Care

## Ohio - State Median

### Monthly Cost

2018

2038

#### Home Health Care

Homemaker Services

\$4,004

\$7,232

Homemaker Health Aide

\$4,099

\$7,403

*Based on annual rate divided by 12 months (assumes 44 hours per week).*

#### Adult Day Health Care

Adult Day Health Care

\$1,322

\$2,388

*Based on annual rate divided by 12 months.*

#### Assisted Living Facility

Private, One Bedroom

\$4,278

\$7,727

*As reported, monthly rate, private, one bedroom.*

#### Nursing Home Care

Semi-Private Room

\$7,118

\$12,856

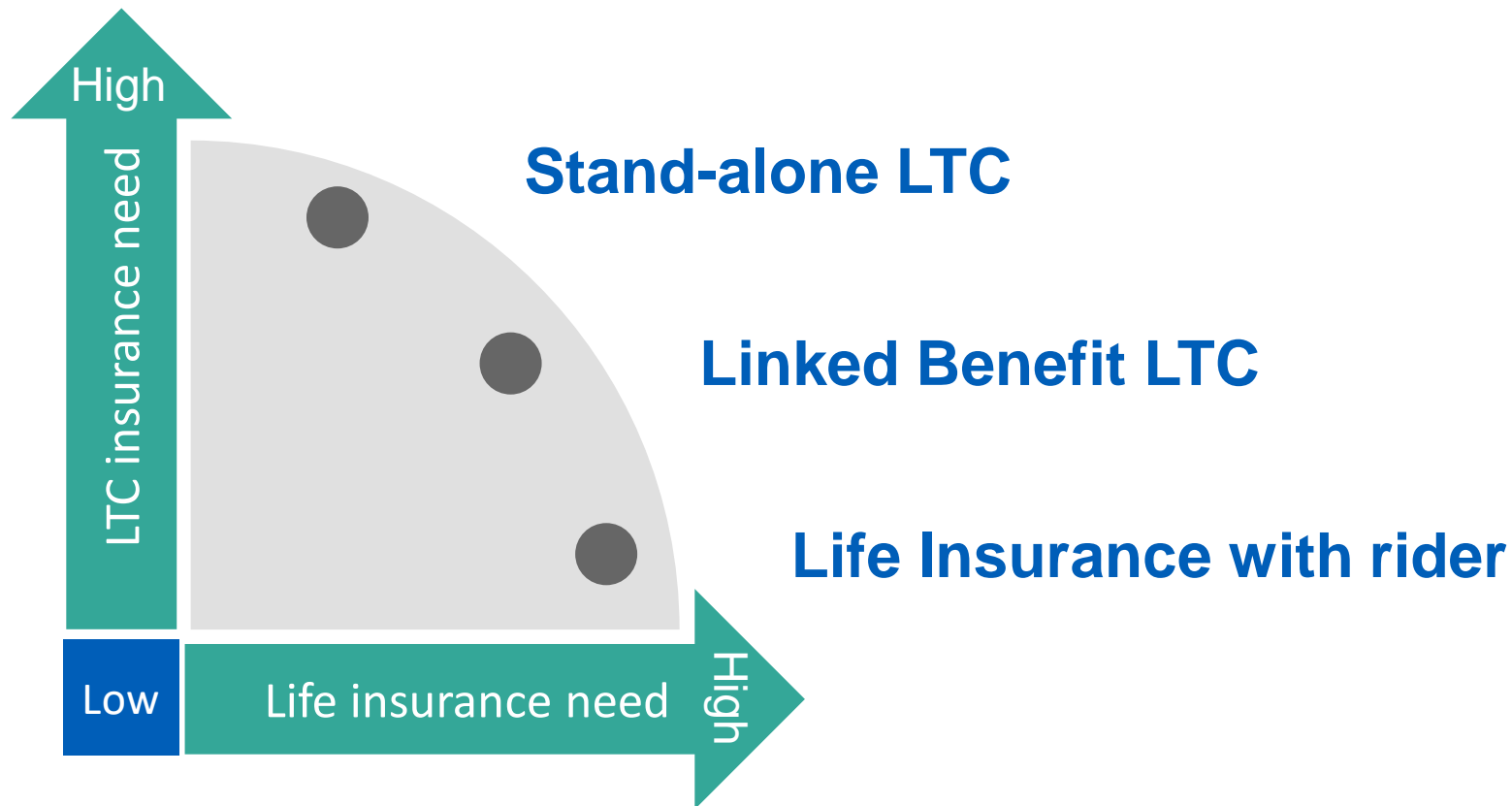
Private Room

\$7,908

\$14,283

*Based on annual rate divided by 12 months.*

# Knowing the options available



# Stand alone long-term care insurance

Long-term care coverage which provides no death benefit

## Client profile

Does not need additional life insurance coverage

Prefers lower initial premiums

Inflation sensitive

## Typical benefits

Low annual cost

Available inflation coverage

Customizable

Partnership qualified (state specific)

## Considerations

Premiums are not guaranteed

Client may never use coverage

No cash value accumulation





# Linked benefit long-term care

Long-term care coverage with an available death benefit

## Client profile

Seeking guarantees

Likes that a death benefit will be paid if LTC services are never needed

Has the ability to pay premiums in a single or limited pay scenario

Inflation sensitive

## Typical benefits

Return of premium

Available inflation protection

Death benefit availability

Guaranteed premiums available\*

Guaranteed LTC benefits\*

## Considerations

Single, short pay and to age 65

Paid LTC benefits reduce the death benefit

Not partnership qualified



\*Provided all premiums are paid as planned, and there are no loans/withdrawals taken.

# Life insurance with a rider

Allows access to the death benefit for long-term care or chronic care needs

## Client profile

Likes that a death benefit will be paid if LTC services are never needed

Attracted to the flexibility of the premium schedule

Typically not inflation sensitive

## Typical benefits

Larger death benefit

Possible cash value accumulation

## Considerations

No inflation protection

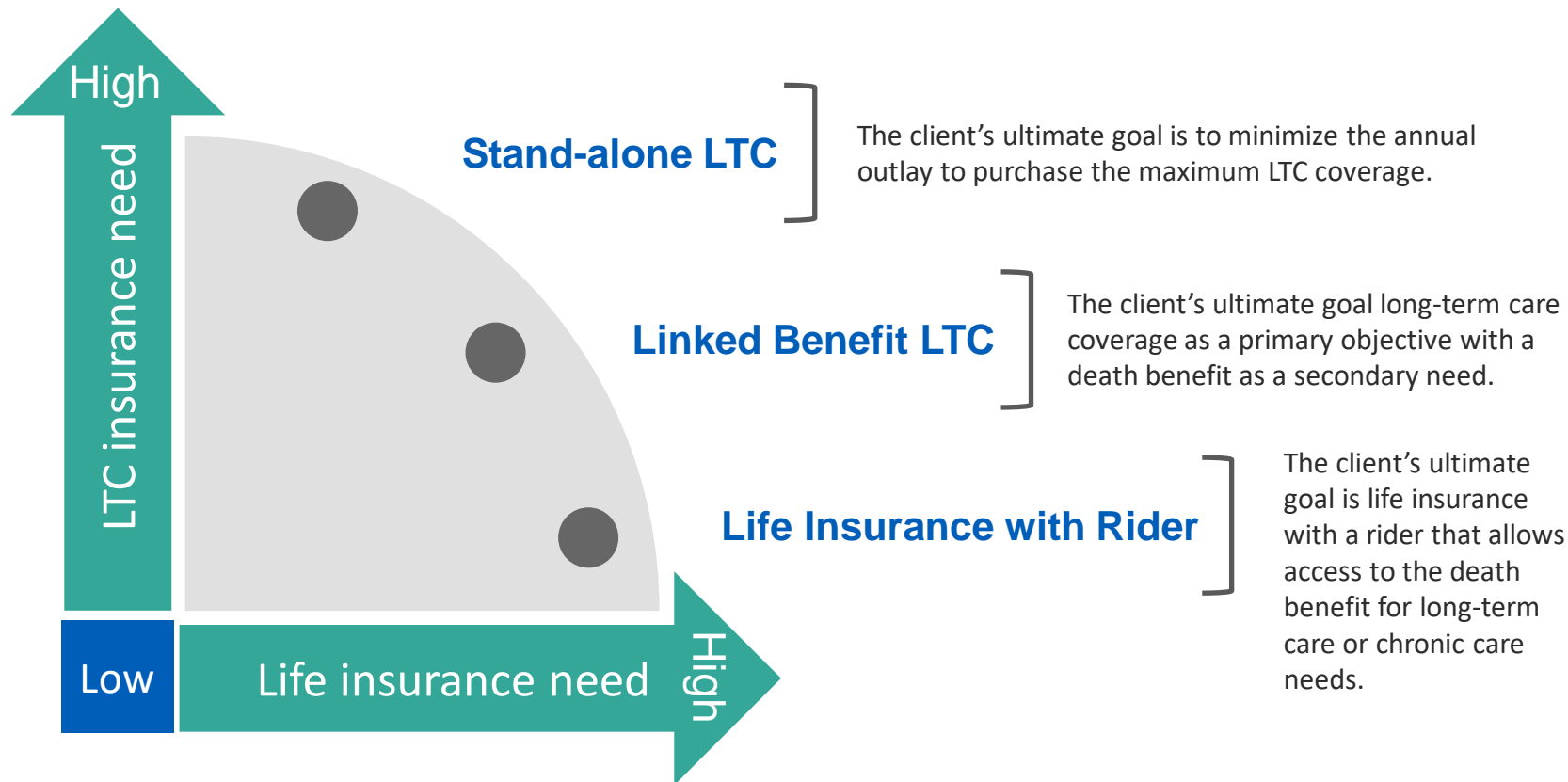
Premiums may not be guaranteed  
(product specific)

Paid LTC or chronic care benefits  
reduce the death benefit

Not partnership qualified



# Knowing the options available



# Asking the right questions



**Is the primary need long-term care or death benefit?**

## Funding

How will the policy be funded?

What is the annual premium threshold?

How long are premiums payable?

## Guarantees

Are the premiums guaranteed?

Is the death benefit guaranteed?

Are LTC or chronic care benefits guaranteed?

## Long-term care

How much LTC is available per day/month/year?

What is the minimum benefit duration of this policy?

How old is the client?

Is inflation coverage important?

# Asking the right questions



## Payouts

Is the monthly maximum capped due to other external factors (i.e. IRS per diem limits)?

Does the policy reimburse the client for expenses or pay on an indemnity basis?

## Other Considerations

How will this policy be underwritten?

Is there cash value or an ROP option?

Is there a residual death benefit?

Benefits available day 1 of claim (elimination period)?

# Recap

## Stand-alone LTC

Does not need additional life insurance coverage

Prefers lower initial premiums

Inflation sensitive

Low annual cost

Available inflation coverage

Customizable

Partnership qualified (state specific)

Premiums are not guaranteed

Client may never use coverage

No cash value accumulation

## Linked benefit LTC

Seeking guarantees

Likes the idea that a death benefit will be paid if long-term care services are never needed

Has the ability to pay premiums in a single pay or limited pay scenario

Inflation sensitive

Return of premium

Available inflation protection

Death benefit availability

Policy charges guaranteed

Guaranteed LTC benefits

Single premium, short pay, or pay to age 65

Paid LTC benefits reduce the death benefit

Not partnership qualified

## Life insurance w/rider

Likes the idea that a death benefit will be paid if long-term care or chronic care services are never needed

Attracted to the flexibility of the premium schedule

Not inflation sensitive

Low annual cost

Available inflation coverage

Customizable

Partnership qualified (state specific)

No inflation premium

Premiums may not be guaranteed (product specific)

Paid LTC or chronic care benefits reduce the death benefit

Not partnership qualified

Benefits

Considerations

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