

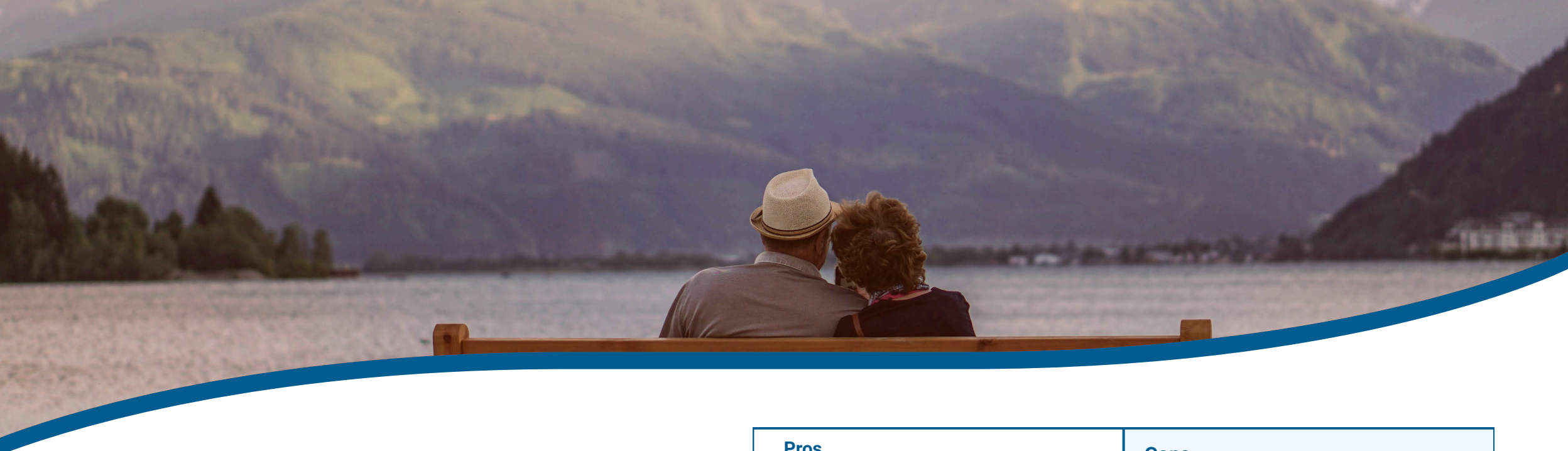
Long Term Care Planning

An Introduction to LTC product options

Planning for long-term care is one of the most important financial decisions you can make. The cost of extended care — whether at home, in an assisted living facility, or in a nursing home — can significantly affect your savings and your family's financial security. The good news is that there are multiple strategies available, each designed to fit different goals, budgets, and health situations.

This guide walks you through the four main types of long-term care solutions so you can have an informed conversation with your advisor about which approach may be right for you.





Traditional LTC Insurance

Traditional long-term care insurance is designed specifically to help pay for extended care services if your health changes later in life. You typically pay an ongoing premium, and if you qualify for benefits, the policy reimburses eligible long-term care expenses such as home health care, assisted living, or nursing facility care.

Because this type of coverage focuses only on long-term care, it often provides the most insurance leverage for the premium you pay — but it does not provide a death benefit if care is never needed.

Pros • Often the most cost-efficient way to buy pure LTC coverage • Strong leverage — your premium dollars go further toward care benefits • Flexible benefit design to match your needs • Spread premiums over time to reduce annual cost	Cons • "Use it or lose it" — LTC is the only benefit • Premiums may increase over time and are not guaranteed • Medical underwriting can be strict • Requires ongoing lifetime premiums
Best Fit  ✓ You want to maximize LTC protection for every dollar you spend ✓ You are comfortable with the possibility that premiums could change ✓ Leaving a death benefit is less of a priority for you	

Hybrid Life Insurance & LTC

Hybrid life and long-term care policies combine life insurance protection with long-term care benefits in one solution. If you need care, you can access the policy's long-term care pool to help pay for expenses. If you never need care, your beneficiaries receive a death benefit.

Because this is a life insurance policy, premiums are guaranteed and will not increase. These plans offer flexible benefit payment methods, including reimbursement of actual expenses or indemnity-style cash payments you can use more freely. This is a strong option for people who want certainty that their money will provide value either way.

Pros



Premiums are guaranteed — no surprise increases



Provides Life insurance and Long Term care to avoid the “Use it or Loose it” concern



Return of premium features available



Flexible Benefit design and payment options



Cons

- Typically requires a lump sum or short-pay period, so upfront cost is higher
- Provides less pure LTC leverage per dollar than traditional LTC
- More design complexity — more decisions to make upfront



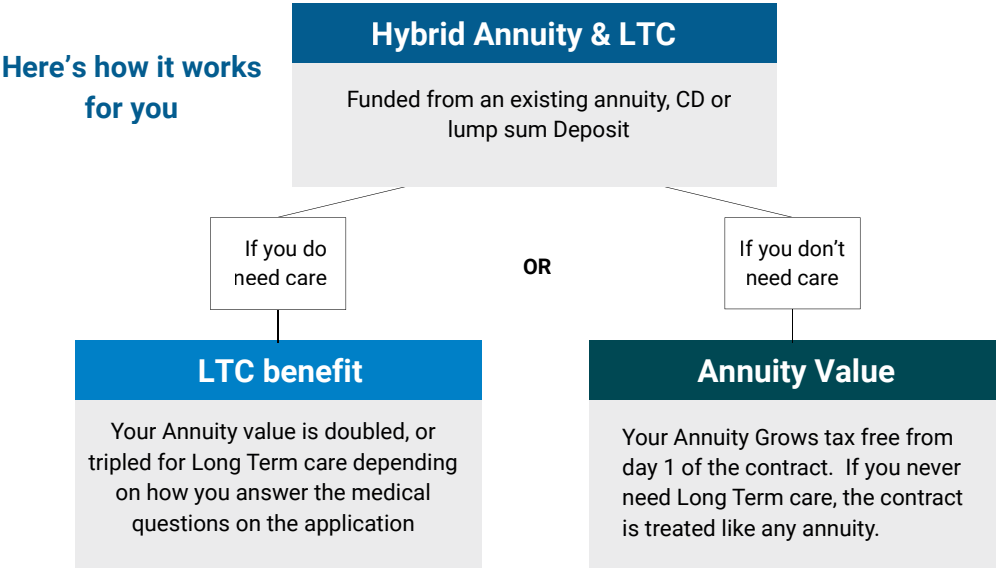
Best Fit

- ✓ You want the peace of mind of guaranteed premiums
- ✓ You want LTC coverage but also want to leave a death benefit
- ✓ Legacy planning is important to you
- ✓ You have assets you'd like to reposition into a more productive solution

Hybrid Annuity & LTC

Annuity-based long-term care solutions are designed for people who want to reposition a lump sum — often from savings, CDs, or an existing annuity — into a plan that can provide a larger pool for future care. These products use a single premium and offer guaranteed growth along with long-term care benefits that may be several times the original deposit.

If long-term care is never needed, the remaining value typically passes to your beneficiaries. This is a particularly attractive strategy for clients who want a one-time funding approach and want to put underused assets to work more efficiently.



Best Fit

- ✓ You have idle savings, CDs, or an old annuity you'd like to put to better use
- ✓ You prefer a one-and-done funding approach with no future premiums
- ✓ You have concerns about qualifying medically for other LTC products
- ✓ You are generally age 55 or older



Pros

- Great for repositioning idle savings, CDs, or existing annuities
- Easier medical qualification than most other LTC options
- No ongoing premium payments after the initial deposit
- Provides legacy value (annuity growth) if LTC is never needed
- Leverages your existing money into a larger care pool

Cons

- Requires a lump-sum deposit upfront
- May provide less LTC leverage than life hybrid products
- Limited inflation protection options in many designs
- Growth on the underlying annuity is typically conservative

Life Insurance with LTC/Chronic Illness Rider

Pros • Strong, guaranteed death benefit as the primary focus • Simple, easy-to-understand structure • Predictable, guaranteed premiums • Less restrictions on benefit uses while on claim	Cons • LTC benefit pool is more limited compared to other solutions • Using the LTC benefits reduces the death benefit dollar-for-dollar • No inflation protection
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This approach is primarily a life insurance policy with an optional rider that allows early access to the death benefit if you become chronically ill. Instead of a separate long-term care pool, the policy accelerates part of the life insurance benefit to help cover care expenses. Premiums are predictable and guaranteed, making this a straightforward entry-level option for LTC planning.

Keep in mind that because the long-term care benefits come directly from the death benefit, the available care coverage is typically more limited than dedicated long-term care products. Think of it as strong life insurance with a meaningful LTC safety net built in.



Best Fit

- ✓ You primarily need life insurance, but also want a LTC safety net
- ✓ You are younger and just beginning to think about LTC planning
- ✓ You want supplemental LTC coverage alongside other planning

Which Plan is right for you?

There is no one-size-fits-all solution in long-term care planning. Each of the four strategies in this guide is designed to address different financial priorities, health situations, and legacy goals.

Ready to find the right fit for you?

The right strategy depends on your financial picture, health profile, funding preferences, and long-term goals. Talk to your advisor to explore which option — or combination of options — makes the most sense for your situation.

Traditional LTC Insurance offers the strongest pure insurance leverage and is often the most cost-efficient way to maximize coverage per premium dollar — but premiums are not guaranteed and there is no death benefit if care is never needed.

Hybrid Life + LTC solutions provide a balanced approach, combining long-term care protection with a guaranteed death benefit. This option is ideal for those who value certainty and want their money to provide value whether care is needed or not.

Hybrid Annuity + LTC strategies allow you to reposition idle assets into a leveraged care pool while maintaining growth potential and legacy value. With easier underwriting, this option may also work for those who cannot qualify for other LTC products.

Life Insurance with an LTC/Chronic Illness Rider offers predictable premiums and strong life insurance protection. While the LTC coverage is not as robust as dedicated products, it is a smart solution for those who need life insurance first and want meaningful LTC protection built in.



Quick Comparison of Long Term Care Options

Feature	Traditional LTC	Life Hybrid	Annuity Hybrid	GUL + Rider
Primary Purpose	LTC only	LTC + Life	LTC + Annuity	Life first
Premium Structure	Ongoing	Often guaranteed	Usually single pay	Guaranteed
Death Benefit	No	Yes	Yes (remaining value)	Yes
LTC Leverage	Highest	Moderate	Moderate	Lowest
Flexibility	Moderate	High	High	Moderate