

The Need for Long Term Care is One of the Biggest Threats to Your Retirement Savings.

Have You Taken Steps to Protect Your Assets, Your Family and Your Future?

Most people envision living a long life, saving during their working years to create a financially secure future where they can enjoy doing the things they love. Thorough financial planning can help you achieve these goals and maintain your quality of life by protecting your assets and retirement income.

The longer you live, the greater the likelihood that you may require long term care and just a few years of paying for long term care may threaten your hard-earned savings. It is important to consider and plan for the potential impact that long term care may have on your assets, your family and your future.

LONG TERM CARE FACTS

- At least 70% of people over age 65 will require long term care services.¹
- The national average cost of one year of nursing home care is nearly \$85,000 and home care can cost much more.²
- If costs continue to increase at 4%, in 20 years the average annual cost of care is expected to increase to \$184,500.^{2,3}

As you take into account your projected costs of care, the potential impact to your savings and the burden to your family, you may find the risks are too great to ignore.

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Investment and Insurance Products: ► NOT FDIC Insured ► NO Bank Guarantee ► MAY Lose Value

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1. U.S. Administration on Aging, Department of Health and Human Services, January 2014. 202-619-0724.

2. Genworth's Cost of Care Survey 2013.

3. Assumes costs increase each year by 3.95%, the average annualized increase of U.S. nursing home cost from 1994 to 2011.

Selecting the Right Long Term Care Solution

Once you understand the risks associated with needing long term care, you are ready to start the planning process. As you weigh your decision to purchase Long Term Care (LTC) insurance, there are a variety of solutions to consider.

LTC Solutions	Pros	Cons
Use Existing Savings to Self Insure	<ul style="list-style-type: none"> • you control how your dollars are invested • potential to earn interest • no underwriting • if LTC is not needed, no money lost to premiums 	<ul style="list-style-type: none"> • dollar for dollar cost on care • savings may have been earmarked for other purposes • may be less tax efficient from a wealth transfer perspective • investment risks
Stand-alone Long Term Care Insurance	<ul style="list-style-type: none"> • customized protection from the costs of LTC • tax qualified policies may be a medical deduction on your federal income taxes if you itemize • doesn't burden family and friends • offers the most benefits per dollar of premium 	<ul style="list-style-type: none"> • typically use it or lose it, only available for LTC costs • no wealth transfer option • underwriting requirement • cost of insurance
Combined Life Insurance with Long Term Care	<ul style="list-style-type: none"> • one simplified policy for life and LTC insurance needs • may be more cost efficient than purchasing LTC and life insurance separately • any benefit not used for LTC will generally pass to beneficiaries income tax-free 	<ul style="list-style-type: none"> • underwriting requirement • cost of insurance • may have different claim triggers than traditional LTC • less customization available
Life Insurance (when not eligible for LTC coverage)	<ul style="list-style-type: none"> • if ineligible for LTC, life insurance can be used to replace potential out of pocket care costs • maximize death benefit design • effective wealth transfer vehicle 	<ul style="list-style-type: none"> • life insurance policy is not intended to cover LTC expenses • benefit is provided at death, not necessarily at time of LTC need • underwriting requirement • cost of insurance

Waiting to address your long term care needs – until the point at which you actually need care – may significantly impact your financial situation, your quality of life, and your ability to maintain your independence.

Consult with your financial advisor today to determine what coverage is best for you.