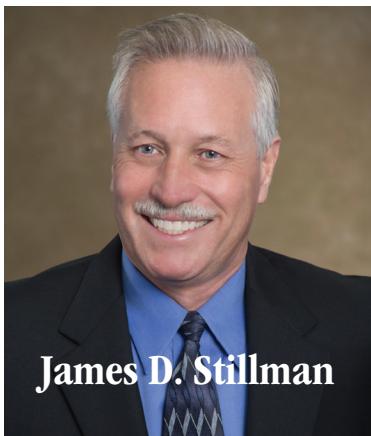


# Between the Beacons

## Charting Your Course to Retirement

### Asset-Based Long Term Care: The Perfect Solution to Long Term Care Planning?



**James D. Stillman**

**H**ealthcare costs are the number one reason for bankruptcy in America. It's estimated that the average couple age 65+ will spend approximately \$250k on healthcare costs in retirement. This includes both Medicare and Long Term Care spending. Couples over the age of 65 have a 70% chance that at least one of them will need long term care during their lifetime. The average stay in a nursing home is 2.2 years for males and 3 years for females. The average cost in North Carolina is \$75,000 - \$80,000 per year, but can be higher depending on the facility you choose.

Obviously, it makes sense to have a plan in place to cover these potential expenses during retirement, if at all possible, but what's the

best way to do that? I believe it's a strategy called "Asset-Based Long Term Care". Virtually nobody knows about it, but we're trying to get the word out.

#### Asset-Based Long Term Care:

It's become very popular for the folks that take the time to learn about it, but few know that it even exists. It's called "asset-based", because you typically make one single payment. So, you're using a chunk of your assets to fund it, instead of paying premiums each year from your income. It's built on a life insurance chassis and has accelerated benefits that can be used for long term care. There can also be Return of Premium (ROP) benefits that allow you to get your premium back at a certain point, in case you no longer want the policy or need the money for something else. We call that "everybody wins" planning!

You get tremendous leverage of your dollars with this type of planning, and the long-term care benefits are tax free. If the long-term care benefits are not used, then the death benefit is also tax free to heirs, because it's life insurance.

Let's look at a recent example we just did for one of our clients:

Age 62 female / one-time single premium of \$100,000 / death benefit \$200,000.00 / LTC benefit

of \$473,000 paid out over 6 years at \$6,569 per month / total return of premium after five years if needed or wanted. Wow! What a tremendous leverage of your dollars to protect against these potential long-term care expenses!

You can also build in inflation protection if wanted. In this same case, if we built in 3% per year inflation protection, then the numbers look like this: \$100,000 premium / death benefit \$190,000 / LTC benefit starts at \$376,000 paid out over 6 years at \$4,588 per month / by age 80 the LTC benefit is \$606,000 paid out over 6 years at \$8,416 per month.

Folks, just let that sink in for a while. And don't tell me that you can invest your money and do the same thing! First of all, investing is not guaranteed, nor does it allow you access to the funds tax-free for LTC. Not to mention, the older you are, the less investing you should be doing, in my opinion. Safety should take precedence over growth the older we become. Not having a written-out retirement plan, taking too much investment risk, and not planning for long term care and healthcare expenses are the three biggest mistakes folks make in retirement. These Asset-Based Long Term Care programs are the best solution I have

ever seen in my twenty plus years of retirement planning. They provide liquidity through ROP features, huge leverage of your dollars, and tax-free use of your dollars for LTC.

Too good to be true, right? What's the catch? The only catch is that since this is both life insurance and Long Term Care insurance, you have to be insurable to some degree. Now, you don't have to be able to run a marathon or qualify for the Olympics. You just have to be insurable, and our underwriting team works very hard helping our clients qualify.

We have the tools available to help you with these health care strategies to take some of the worry out of retirement. As always, if you would like more information about these strategies, any of our free reports, a free consultation, a quote, or a copy of my book "Finding Safe Harbor in Retirement", then just let us know. At JDS, everything we do is designed to take the worry out of your retirement. If you'd like to set up a visit to discuss your retirement and get your own *Chart Your Course Retirement Plan*, then give us a call.

And remember: *The purpose of the money dictates where you put it!*

Until Next Month,  
James D. Stillman



**(704) 660-0214**  
**jdswealthmanagement.com**  
**119-F Poplar Pointe Drive**  
**Mooresville, NC 28117**

James D. Stillman is a licensed insurance professional, Registered Financial Consultant, and Investment Advisor Representative. He is the founder and president of two companies: JDS Enterprizes, Inc. and JDS Wealth Management Corporation, a Registered Investment Advisory Firm. All content is intended for informational purposes only. Guarantees apply to certain insurance and annuity products (not securities, variable or investment advisory products) and are subject to product terms, exclusions, and limitations and the insurer's claims-paying ability and financial strength.