

# LONG TERM CARE MULTIPLE SOLUTIONS



# LIVING A LONG LIFE

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Consider, if you had all the time in the world,  
how would you want to spend it?



Unfortunately, when we  
live a long life, we may  
need long-term care

# WHAT IS LONG TERM CARE?

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IT IS THE ASSISTANCE OR SUPERVISION YOU MAY NEED

- Because you are not able to do some of the basic Activities of Daily Living (ADL).
- And/or because of
  - Accidents
  - Chronic illness
  - Aging
  - Strokes
  - A severe cognitive impairment, such as dementia, Alzheimer's disease or brain injury
  - Other chronic conditions

Long term care can be received at home, in the community or in a nursing home or assisted living facility.

Assisted living facilities are referred to as Residential Care Facilities in California

# WHAT ARE ACTIVITIES OF DAILY LIVING?

Dressing

Eating

Continence

Activities of  
Daily Living

Bathing

Transferring

Toileting





# WHERE IS LONG TERM CARE PROVIDED?



- Where you need it
- Not just in nursing homes or assisted living facilities
- Often in your own home

# THE REALITY OF LIVING LONGER

**Living a long life is more of a reality today.**

Preparing for a long life is a necessity.

**Living longer is not always synonymous with living better.**

The longer we live, the more likely it is that we may need someone to help take care of us.

**Living longer may mean we need long term care.**

Who will take care of me and where do I want to receive care?

How will the care be paid for?

What impact will this have on my family and our finances?

# WHAT'S YOUR PLAN?

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If you or your spouse or partner had an extended care event now or in the future:



What's your written strategy?



How would you pay for it?



# CONSIDER THIS...

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## Support

- Family
- Friends
- Others
- Local resources  
(ex: church, Meals on Wheels)

## Money

- Current income
- Cash savings
- Retirement savings
- Other assets





# LONG-TERM CARE IS A REALITY

AT LEAST

70%

OF PEOPLE

Those over age 65 will need long term care services and support.<sup>1</sup>

3.9

YEARS

People over 65 will need long term care services and support.<sup>1</sup>

4-8

YEARS

Average life expectancy after Alzheimer's disease diagnosis after age 65.<sup>3</sup>

<sup>1</sup> 2015 Medicare & You, National Medicare Handbook, Centers for Medicare & Medicaid Services, Revised September 2014

<sup>2</sup> Claims data for Genworth Life Insurance Company and affiliates – December 1974 - December 31, 2014

<sup>3</sup> Source: 2015 Alzheimer's Disease Facts and Figures, Alzheimer's Association, March 2015

## Annual Costs: New Jersey – State Median (2018)

### Home Health Care

#### Homemaker Services<sup>1</sup>

2018 Cost **\$54,912**  
5-yr Annual Growth<sup>2</sup> **3%**

#### Home Health Aide<sup>1</sup>

2018 Cost **\$54,912**  
5-yr Annual Growth<sup>2</sup> **3%**

### Adult Day Health Care

#### Adult Day Health Care<sup>3</sup>

2018 Cost **\$23,400**  
5-yr Annual Growth<sup>2</sup> **2%**

### Assisted Living Facility

#### Assisted Living Facility<sup>4</sup>

2018 Cost **\$72,780**  
5-yr Annual Growth<sup>2</sup> **0%**

### Nursing Home Care

#### Semi-Private Room<sup>5</sup>

2018 Cost **\$127,750**  
5-yr Annual Growth<sup>2</sup> **3%**

#### Private Room<sup>5</sup>

2018 Cost **\$142,350**  
5-yr Annual Growth<sup>2</sup> **3%**

[Change weekly Home Health Care hours](#) (Only available with Daily, Monthly, or Annual Cost by Period)

Genworth Cost of Care Survey 2018, conducted by CareScout®, June 2018

<sup>1</sup> Based on 44 hours per week by 52 weeks

<sup>2</sup> Represents the compound annual growth rate based on Genworth Cost of Care Survey

<sup>3</sup> Based on 5 days per week by 52 weeks

<sup>4</sup> Based on 12 months of care, private, one bedroom

<sup>5</sup> Based on 365 days of care

# LONG TERM CARE FUNDING OPTIONS

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Private/  
family  
support

Public  
programs

Self  
funding

Long  
term care  
insurance  
solutions



# PRIVATE | FAMILY SUPPORT

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- Care provided by those you know and trust
- Considerations for caregiver(s)
  - Time and ability
  - Proximity to individual needing care
  - Physical, financial and emotional impact to caregiver



# PUBLIC PROGRAMS

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## Medicare

- Generally covers skilled nursing home care after a hospital stay of at least three days
- Coverage is limited

## Medicaid

- Contributes to long term care but requires recipients to use their income to pay for care and spend down most of their assets to qualify

Medicaid is referred to as Medi-Cal in California

# MULTIPLE SOLUTIONS

Traditional  
long-term care  
insurance

Linked benefit  
products

Accelerated  
benefit rider\*  
for long term  
care services

\*Added to a life insurance policy



# TRADITIONAL LONG-TERM CARE

## Components

### Monthly or Daily Benefit

- \$50 per day up to \$10,000 per month

### Inflation Options

- 0% to 5% Compounded

### Riders

- Shared Care
- Professional Home Care
- Cash Benefit
- Informal Care Benefit

### Tax Benefits

- May qualify for State Tax Credit
- May qualify for Federal Tax Deduction



# TRADITIONAL LONG-TERM CARE

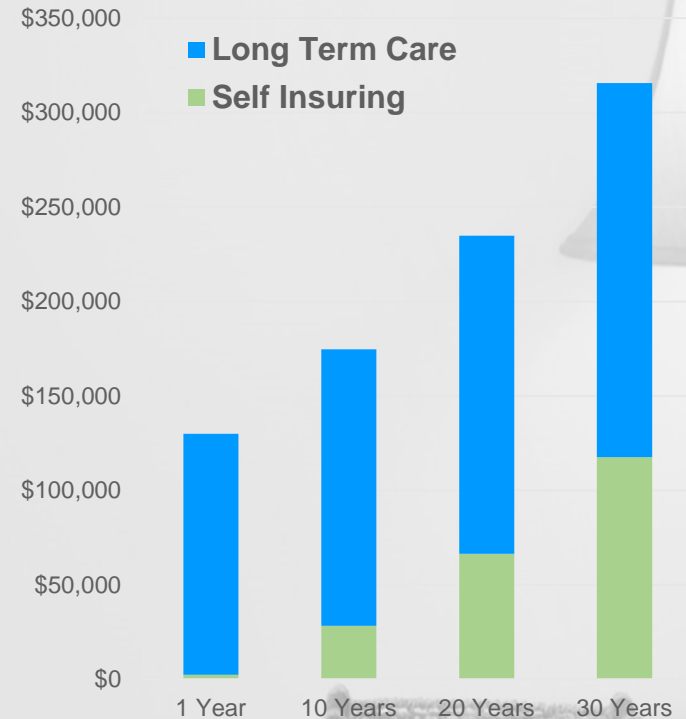
Bob and Mary are a 55 year old, healthy, married couple that are interested in setting aside \$2,400 annually for LTC each year. They're interested in comparing saving this money to purchasing a LTC Policy.

## Self-Insuring

- Bob and Mary save **\$2,400 Annually** in a fixed account earning **3% Compound Interest** each year.
- In 30 years they will have accumulated approximately **\$117,606** (does not account for taxes).

## Long Term Care

- Bob and Mary purchase a LTC Insurance Policy with a Monthly Premium of \$200
- They selected the 3% compound inflation protection option
- In 30 years, each of them will have access to approximately \$315,000 of a LTC benefit pool to pay for qualified long term care expenses (tax free)



Quotes according to preferred rates, 3.5yr benefit period, \$3,100 monthly benefit & 3% compound inflation with Mutual of Omaha Secure Solution LTC  
\*\*\*Rates are subject to change\*\*\*

# LINKED BENEFIT PRODUCT

## Components

### Minimum Death Benefit

- \$75,000

### Inflation Options

- 3% or 5% - Compound or Simple

### Riders

- Return of Premium (built in)



# LINKED BENEFIT PRODUCT (HYBRID)

- Jeffrey, age 64, healthy, nonsmoker
- Financially secure because of Jeffrey's retirement income
- \$150,000 set aside for LTC

\$150,000  
Premium



\$586,014

Income tax-free reimbursements for  
qualified long-term care expenses  
care<sup>1</sup>

\$195,338

Income tax-free death  
benefit for beneficiaries<sup>2</sup>

\$150,000

Return of premium<sup>3</sup>



# ACCELERATED BENEFITS RIDER

## Components

### **Long Term Care Rider or Chronic Illness Rider**

#### Minimum Death Benefit

- Typically \$100,000 +

#### Monthly Acceleration Allowance

- 1%, 2%, 4%

#### Inflation Options

- None

#### Riders

- None



Pete has a need of \$250,000 of permanent life insurance and thinks it's important to also protect his assets in the event he were to need care.

Pete, Age 55, healthy, non-smoker

Pete would like to have \$5,000 per month to help pay for care

Total Death Benefit	\$250,000
Monthly Care Benefit	\$ 5,000
Monthly Premium	\$ 242.00

Life insurance with an optional rider that provides income if the insured becomes **chronically ill or unable to perform 2 out of 6 ADLs.**

### Life Insurance Policy

Insured's Death Provides Beneficiaries a Death Benefit of \$250,000

Insured's Chronic Illness ?  
LTC Rider Accelerates the death benefit to provide the insured a monthly income up to \$5,000 per month if the insured becomes unable to perform 2 out of the 6 ADLs.







NEXT STEPS:

## ***ASK YOURSELF...***

IF A LONG-TERM CARE EVENT  
SHOULD OCCUR

*WHAT WOULD MY WRITTEN  
STRATEGY BE?*

*HOW WOULD I PAY FOR THOSE  
EXPENSES?*



QUESTIONS?

