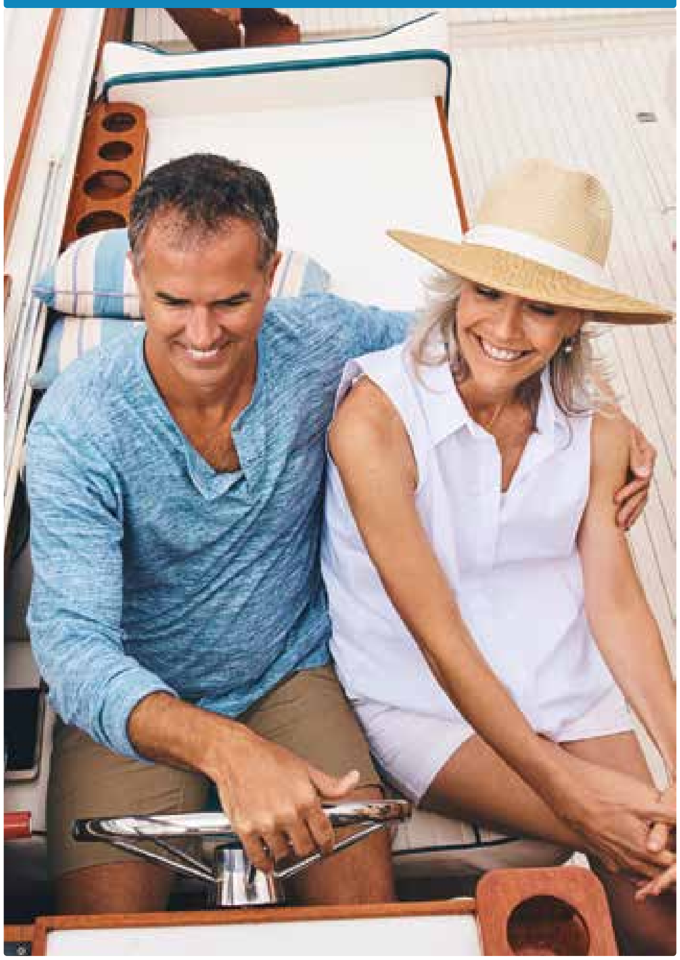
Long-Term Care Insurance

Protecting Retirement Assets

Discover the real value of a traditional LTCi policy



Many people work a lifetime to accumulate assets designed to provide them with a comfortable retirement plus an inheritance for their children. And the last thing they want is to have to use those assets to pay for the long-term care services they're likely to need.

A long-term care insurance policy is a good way to help people protect their retirement assets. It's well suited for people who:

- Have accumulated significant assets to fund their retirement
- Want their retirement assets to last as long as possible
- Intend to leave an inheritance for their family

How it Works

Let's say your client has $200,000 in an account that's intended to cover living expenses during retirement. She plans to withdraw $7,500 per month. How long do you think the money will last?

Account Balance	Monthly Withdrawal	How Long Will it Last?
$200,000 Earning an annual return of 3% compounded monthly	$7,500 Inflating by 3% per year	28 months

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Underwritten by
Mutual of Omaha Insurance Company

Faced with the need for long-term care services, your client may quickly discover $7,500 doesn't cover all her expenses. Consider these monthly costs:

[$7,230] per month for a semiprivate room in a nursing home	**[$4,383] per month** for a one-bedroom unit in an assisted living facility	**[$4,910] per month** for the services of a home health aide

Source: Mutual of Omaha's Cost-of-Care Survey conducted by LTCG, 2015; released April 2016. Nursing home costs are based on the national average of $233 per day, 30 days per month. Home health aide costs are based on the national average of $22 per hour, 44 hours per week, 4 weeks per month.

Concept Advantages

When the need for long-term care arises, having a policy in place to help cover the cost of care means the client's retirement assets can remain intact. This added measure of protection can allow your client to:

- Retain retirement assets for their intended purpose
- Avoid having to liquidate assets to pay for long-term care services
- Maintain the retirement lifestyle as planned while also receiving benefits to help pay for the care they need
- Ensure sufficient assets remain in the estate to serve as an inheritance

Which Asset Will You Use?

This is a good question to pose to potential clients who are concerned about protecting their retirement assets. While most people have designated assets for specific purposes, they probably haven't set anything aside to pay for long-term care services. So a long-term care situation could mean:

- Liquidating assets to pay for care. This includes dipping into 401(k) or savings accounts, cashing in stocks or CDs or selling property
- Paying unexpected capital gains tax, income tax and potential surrender charges generated from the liquidation of assets
- Foregoing any returns the liquidated assets were expected to generate
- Abandoning plans to leave an inheritance for children or grandchildren

Consumer Brochure

Here's a companion brochure to help you address this important topic with your clients.

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