WHEN IT COMES TO LONG-TERM CARE, TIMING MATTERS

Same $100,000. Three different outcomes.

Many clients plan for future care without seeing how much the starting age shapes what that plan can deliver. In these hypothetical examples, total funding remains $100,000, while the starting age, funding schedule and product design differ.

FUNDING[1]
$5,000 a year for 20 years

POTENTIAL INCOME-TAX-FREE LTC BENEFITS AT AGE 83[1,2]

$2.25M

$19,621 per month

Total benefit relative to age 45 example

Net return needed to self-fund[3] **10.87%**

FUNDING[1]
$10,000 a year for 10 years

POTENTIAL INCOME-TAX-FREE LTC BENEFITS AT AGE 83[1,2]

$1.12M

$14,484 per month

Total benefit relative to age 45 example

Net return needed to self-fund[3] **10.65%**

FUNDING[1]
Single $100,000 premium

POTENTIAL INCOME-TAX-FREE LTC BENEFITS AT AGE 83[1,2]

$634K

$8,165 per month

Total benefit relative to age 45 example

Net return needed to self-fund[3] **10.80%**

WHAT CHANGED?

Same planning objective. Same total funding. Different starting ages, funding schedules and product designs produced available long-term care benefits ranging from roughly **$634,000** to more than **$2.2 million**.

WHAT IT MEANS FOR YOUR CLIENTS

This isn't about one product. It's about whether a client's current approach fits where they're headed. Earlier conversations can keep more options open. Health can change at any age, and waiting can affect insurability.

Run this for a client?

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Hypothetical examples. Illustrative only — does not represent any actual client transaction. Individuals pictured are for illustration only.

[1] Benefits shown are contractually guaranteed values from carrier illustrations prepared September 30, 2026 (ages 45 and 55, male) and October 2, 2026 (age 65, female); all Georgia, non-tobacco, couples' discount underwriting class. Age 45: Nationwide CareMatters II, 20-pay $5,000 annual premium, 8-year benefit period, 5% compound inflation, cash indemnity benefits, 90-day elimination period. Ages 55 and 65: Lincoln MoneyGuard Fixed Advantage (2025), 10-pay $10,000 and single $100,000 premiums, 6-year minimum benefit duration, 3% compound inflation, 0-day elimination period; monthly amounts are reimbursement maximums (indemnity option pays 80%). Because product, gender, benefit period, inflation option and benefit type differ, results are not attributable to starting age alone. Total benefit is the full benefit pool if care begins at age 83, including inflation increases during the claim. Assumes eligibility for a couples' discount; results for clients who do not qualify will be lower. Products are subject to underwriting, eligibility requirements, carrier availability and policy terms; benefits are reduced by loans and withdrawals. Suitability depends on the client's health, age, financial situation and need for coverage.

[2] Long-term care benefits may be received income-tax-free when applicable federal requirements are met. Indemnity-style benefits are excludable only up to the greater of the IRS per diem limit ($430 per day for 2026, Rev. Proc. 2025-32; IRC §7702B(d)) or actual qualified long-term care expenses; amounts above that may be taxable. This reference is not tax advice. Always consult a qualified tax professional.

[3] Net return needed to self-fund is the annualized return, before taxes, fees and investment costs, that the same premiums invested on the same schedule would need to earn to accumulate the age-83 total LTC benefit shown. It compares against the full benefit pool as a lump sum; policy benefits are paid monthly over the benefit period. Calculation worksheet available on request.

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