LONG TERM CARE PROTECTION

UNDERSTANDING YOUR OPTIONS

The information below provides a general description of several long term care (LTC) protection options, comparisons of key features, and highlights of important considerations.

WHAT ARE THE KEY FEATURES?

- **LTC Leverage –** power of premium dollars to generate LTC benefits
- **Legacy Protection –** ability to protect wealth if LTC event never occurs
- **Flexibility –** ability to access and transfer money

SELF-FUNDING

BENEFITS

+ No medical exam required
+ Maximum control and liquidity
+ Convenience

DRAWBACKS

– No leverage on assets
– Relies on account performance
– Often insufficient for long-lasting LTC events
– Vulnerable to reduced buying power due to inflation
– Liquidating funds may cause tax consequences

INDIVIDUAL PROFILE

- Desires maximum control and access to funds
- Skeptical of need for insurance coverage and/or has an aversion to medical underwriting
- Concerns about flexibility and freedom are more important than the potential negative impact self-funding may have on the legacy left for loved ones

FEATURES	STRENGTH
LTC Leverage	★
Legacy Protection	★★
Flexibility	★★★★★

TRADITIONAL LTC INSURANCE

BENEFITS

+ Generally provides the most affordable coverage
+ Significant customization
+ Inflation protection available
+ Offers shared care benefit (allows spouses to tap into each other's benefits under special circumstances)

DRAWBACKS

– Premiums are not guaranteed, are subject to rate increases, and are generally required for life
– Have no tangible cash value
– "Use it or lose it" (no benefits are paid if the insured does not have an LTC event)
– Requires full underwriting

INDIVIDUAL PROFILE

- Seeks the most affordable option
- Currently has sufficient life insurance coverage in place
- Desires ability to fully customize LTC coverage (elimination periods, inflation protection, shared care, etc.)

FEATURES	STRENGTH
LTC Leverage	★★★★★
Legacy Protection	★
Flexibility	★

HYBRID LTC

BENEFITS

+ Guaranteed premiums
+ Guaranteed liquidity
+ Flexibility – provides LTC benefits, death benefit, or a return of premiums
+ Inflation protection and zero-day elimination period available
+ Simplified underwriting

DRAWBACKS

– Requires limited-pay design
– No shared care benefit

INDIVIDUAL PROFILE

- Desires the highest available leverage with respect to guaranteed LTC benefits with the certainty of guaranteed premiums
- Does not necessarily need additional death benefit protection, but is concerned about paying for and never receiving any benefit
- Prefers a lump sum or limited-pay funding structure

FEATURES	STRENGTH
LTC Leverage	★★★★
Legacy Protection	★★
Flexibility	★★★

LIFE INSURANCE WITH LIVING BENEFITS RIDER

BENEFITS

+ Guaranteed premiums
+ Potential for tangible cash value
+ Guaranteed death benefit

DRAWBACKS

– No inflation protection
– No shared care benefit
– Receipt of LTC benefits reduces the death benefit
– Requires full underwriting

INDIVIDUAL PROFILE

- Has a need for additional life insurance protection and an interest or desire to address LTC coverage
- Prefers the convenience and administrative efficiency of satisfying both life and LTC insurance needs within a single solution

FEATURES	STRENGTH
LTC Leverage	★★★
Legacy Protection	★★★★★
Flexibility	★★

See reverse side for disclosure information

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DISCLOSURES:

The material contained herein is for informational purposes only and is not intended to provide specific advice or recommendations for any individual nor does it take into account the particular investment objectives, financial situation or needs of individual investors. Individuals are advised to seek the advice of a qualified professional before pursuing any idea contemplated herein.

For more details about these LTC protection options, please consult with a qualified professional as well as any available resources including product materials, contracts,and/or prospectuses, if applicable.

These materials contain information about the features, risks, charges and expenses of each option. Please consider this information carefully. Solution availability and features may vary by state.

Guarantees are based on the claims-paying ability of the issuing company.

"Strength" assessments are educational in nature and intended to serve as a general guideline and not a recommendation to purchase a specific product or service. They are based on ValMark's analysis of selected key features and not an all-inclusive review of every available feature. These assessments reflect the relative strengths between the four LTC protection options presented. Information is provided solely as an incidental service to our affiliated insurance professionals, financial planners, and investment advisors.

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