LONG-TERM CARE · COMPARISON

Extended Care Income Solutions

Prepared for Sample Husband & Sample Wife

Seth Freeman, CFP®, CLTC, LTCP · Sample: DOB 03/20/1971 · Sample: DOB 05/10/1971

AdvisorServe®
INDEPENDENT · OBJECTIVE · TRUSTED
October 6, 2026

	MoneyGuard Lincoln Financial		SecureCare IV Securian Financial		CareMatters Together Nationwide	AssetCare OneAmerica	Secure Solution Mutual of Omaha	
	REIMBURSEMENT		INDEMNITY		INDEMNITY	REIMBURSEMENT	REIMBURSEMENT	
	Individual policies		Individual policies		Joint policy	Joint policy	Indiv. benefits · Joint premium	
	SAMPLE	SAMPLE	SAMPLE	SAMPLE	JOINT	JOINT	SAMPLE	SAMPLE
POLICY BENEFITS								
Beginning monthly	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
Coverage length	72 Months	72 Months	72 Months	72 Months	96 Months	LIFETIME	48 Months	48 Months
Annual increase	3% Compound	3% Compound	3% Compound	3% Compound	3% Compound	AOB level · COB 3% Compound	3% Compound	3% Compound
Available now	$393,897	$393,897	$393,897	$393,897	$541,737	UNLIMITED	$254,656	$254,656
@ Age 85 monthly	$12,136	$12,136	$12,136	$12,136	$12,136(older)	$5,000 × 24 mo THEN $12,875/mo	$12,136	$12,136
@ Age 85 pool	$956,091	$956,091	$956,091	$956,091	$1,314,938	UNLIMITED	$618,117	$618,117
Death benefit	$120,000	$120,000	$120,000	$120,000	$180,000	$120,000		
Guaranteed DB	$6,000	$6,000	$10,000	$10,000	$18,000	$0		
Wait period	0 Days	0 Days	90 Days - Reimbursed Month 4	90 Days - Reimbursed Month 4	90 Days - Reimbursed Month 4	0 Days HHC | 90 Days Elsewhere	0 HHC / 90 Days Elsewhere	0 HHC / 90 Days Elsewhere
Return to beat	**8.91%**	**8.78%**	**8.52%**	**8.41%**	**7.50%**		**9.55%**	**7.35%**
PREMIUM OPTIONS · ANNUAL UNLESS ONE-TIME								
One-time	$73,909	$76,647	$82,254	$84,764	$150,375	$130,374	—	
×5 years	$16,332	$16,937	$18,177	$18,600	$32,207	$34,301	—	
×7 years	$12,246	$12,700	$14,134	$14,550	—	—	—	
×10 years	$9,205	$9,546	$10,218	$10,044	$18,106	$17,854	—	
×15 years	—		$8,053	$8,021	—	—	—	
×20 years	—		—		$11,769	$11,465	—	
Pay Until Claim	—		—		$10,188	$8,722	$3,737	$5,718

For informational purposes only. Not a contract or offer of insurance. All figures based on current carrier illustration assumptions, subject to change. Benefits depend on insured satisfying eligibility requirements. LTC policies have exclusions, limitations, and reductions of benefits. Not a deposit. Not FDIC insured. Subject to claims-paying ability of the issuing insurer.

LONG-TERM CARE INSURANCE — CLIENT EDUCATION

The Risk and the Cost

How likely a care event is, what care costs in each setting, and what funding it takes

ADVISORSERVE®
YOUR PLAN DRIVES THE PRODUCT
October 6, 2026

How Likely Is a Long-Term Care Event?

7 in 10
adults who reach age 65 will develop a need for long-term care services during their lifetime[2]

3.2 vs 2.3
years of long-term care needed, women compared with men[1]

59%
of long-term care insurance claimants are women[3]

The risk is not symmetrical. In most couples the wife provides the husband's care at home, and when her own need arrives there is no one left to provide hers.

What Care Costs, and What It Takes to Fund It

A hypothetical 3-year claim beginning at age 85, in three care settings, and the annual savings that funds 25%, 50%, 75% or all of it. You choose how much of the risk to transfer.

Age 55 today (the older insured) · claim begins at 85 and lasts 3 years · care costs rise 4% a year · savings earn 5% net of taxes and fees · contributions at the start of each year

ANNUAL SAVINGS, START OF EACH YEAR UNTIL AGE 85

CARE SETTING annual cost today[6]	3-YR CLAIM AT 85 what care costs	25% COVERED	50% COVERED	75% COVERED	100% COVERED
Home care $80,080/yr · $6,673/mo	**$810,777**	$2,766	$5,532	$8,298	**$11,063**
Assisted living $74,400/yr · $6,200/mo	**$753,269**	$2,570	$5,139	$7,709	**$10,279**
Nursing home, private room $129,575/yr · $10,798/mo	**$1,311,894**	$4,475	$8,951	$13,426	**$17,901**

A smaller amount funds a larger claim because the balance keeps earning: contributions grow at 5% until the claim begins, and what has not yet been spent keeps earning through the claim years. If both insureds need care, double these figures.

SAVING FOR IT · ASSISTED LIVING, 100% COVERED

Set aside each year	**$10,279**
Years of contributions	**30**
Total contributed	**$308,362**
3-year claim it funds	**$753,269**

Nothing is in place until the balance arrives. A claim in year five is met with five years of savings.

INSURING IT · SECURECARE IV

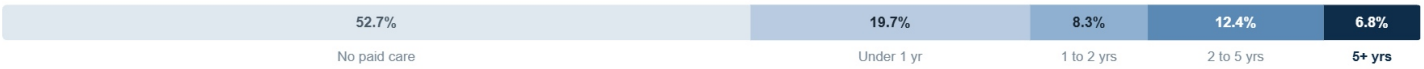
Premium	**Combined: $167,018**
Total premium paid	**$167,018**
Benefit pool, day one	**$787,794**
Benefit pool at age 85	**$1,912,183**
Benefits paid over a 3-year claim at 85	**$913,150**

The pool is in place from the first premium, for qualifying care only.

Over the 3-year claim the policy pays **1.2×** what the claim costs; the total premium is **0.54×** the total that saving would contribute.

Saved dollars remain yours for any purpose. Policy benefits pay only for qualifying care. SecureCare IV returns a $240,000 death benefit to the family if care is never needed.

How Long Paid Care Lasts, After 65[1]



The last segment, roughly one in fifteen, is the risk insurance exists for.

About 83% of the help older adults receive comes from family, friends and other unpaid caregivers[4]. About two-thirds of unpaid dementia caregivers are women, and more than a third are daughters[4]. The alternative to funding this is not a pile of money, it is a person.

Nearly half of adults 65 and older (45%) assume Medicare would pay for a nursing home stay[5]. Medicare covers at most 100 days in a skilled nursing facility, only after a qualifying three-day inpatient hospital stay, and pays nothing for long-term custodial care.

Since 2022, a private nursing home room is up 16.4% and assisted living 21.6%, roughly 5.2% and 6.7% a year[6]. The 4% assumption above is conservative.

Sources: 1. U.S. Dept. of Health & Human Services, ASPE Research Brief, January 2021, *Long-Term Services and Supports for Older Americans: Risks and Financing, 2020*, Table 1 (years of LTSS need by gender) and Table 2 (distribution of paid LTSS use), persons turning 65 in 2020 to 2024. The August 2022 revision reports different figures and is not used here. 2. U.S. Administration for Community Living, LongTermCare.gov, *How Much Care Will You Need?* 3. American Association for Long-Term Care Insurance, 2024 long-term care insurance claims data, September 2024 (average claim age; share of claimants who are women). 4. Alzheimer's Association, *2026 Alzheimer's Disease Facts and Figures* (lifetime risk at 45; unpaid care; dementia caregivers). 5. KFF, *The Affordability of Long-Term Care and Support Services*, November 2023 (survey fielded May 2022), and Medicare.gov, *Skilled nursing facility care* and *Long-term care*. 6. CareScout (Genworth) Cost of Care Survey 2025, national medians (March 2026) and *Where Senior Care Costs Are Rising Fastest* (change since 2022).

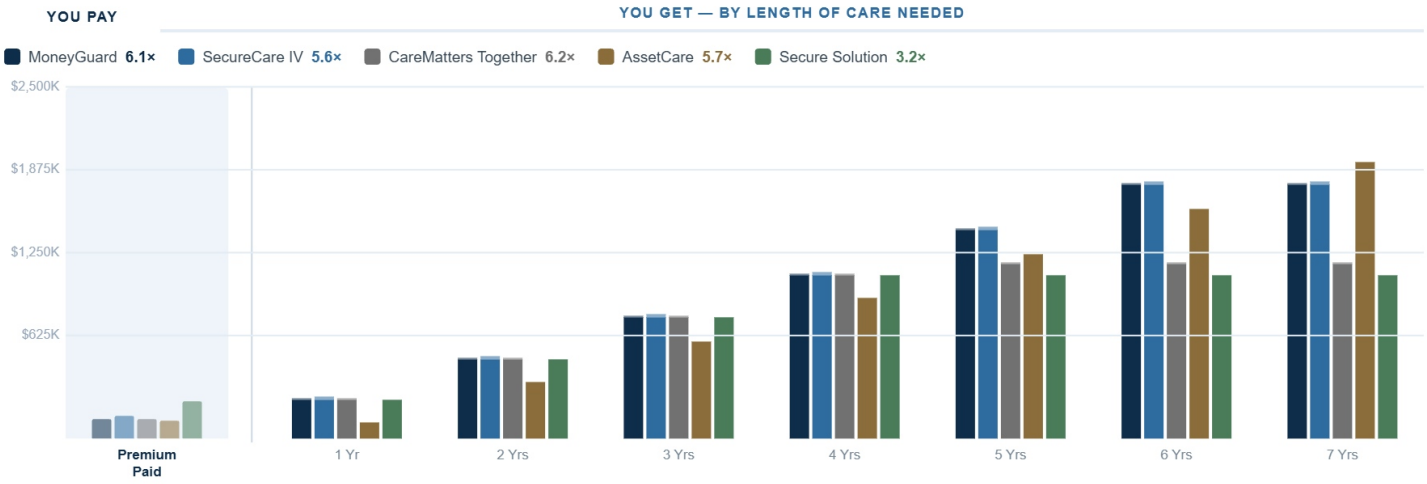
Hypothetical example for educational purposes only. Projections are not guarantees and actual costs, returns, and benefits will vary. Statistics from the sources cited above. Not a contract or offer of insurance.

What You Get Back

The benefits the policy returns, and what comes back if care is never needed

What You Pay vs. What You Get

A small premium buys a large pool of care. The first bars are what the household **pays in premium**; everything right of the divider is what a claim could **return** — **care benefits paid** plus the **death benefit still remaining** — by how long care is needed.



By a **3-year claim** — the average — the household premium returns roughly **3.2×–6.2×** in benefits; by 5 years, **4.4×–10.7×**. Self-funding a 3-year claim in assisted living, beginning at age 85, would cost about **$753,269** per insured[1] — gone, with nothing returned if care is never needed.

What If I Never Need Care?

The most common question, answered per product from its own illustration: what comes back to the family if care is never needed, and what is left if the benefit is fully used.

PRODUCT	IF CARE IS NEVER NEEDED	IF THE BENEFIT IS FULLY USED
MoneyGuard · both insureds combined	**$240,000 to the family**	**$12,000 guaranteed to the family**
SecureCare IV · both insureds combined	**$240,000 to the family**	**$20,000 guaranteed to the family**
CareMatters Together · one shared benefit	**$180,000 to the family**	**$18,000 guaranteed to the family**
AssetCare · one shared benefit	**$120,000 to the family**	No guaranteed floor once benefits are paid
Secure Solution · both insureds combined	Nothing is returned; premiums are not recoverable	Nothing

Benefits shown as the policy would pay them for a claim beginning at age 85, with contractual increases applied from issue and through the claim; designs with a level AOB pay the beginning benefit until the death benefit portion is used, then the inflated COB. Death benefit is net of accelerated LTC and floored at the guaranteed minimum where applicable. Joint policies assume both insureds drawing the shared pool at the same time, from the year the older insured reaches the claim age; individual policies combine both spouses' pools and premiums, each valued at that spouse's claim age. The benefit pool is total dollars available for care, not a cash value or rate of return. The self-funding figure is the same 3-year claim shown on the previous page, at the assisted living cost of care projected to age 85. Hypothetical and for illustration only — not a projection of policy or investment performance.

Sources: 1. CareScout (Genworth) Cost of Care Survey, 2025 national medians.

Hypothetical example for educational purposes only. Projections are not guarantees and actual costs, returns, and benefits will vary. Statistics from the sources cited above. Not a contract or offer of insurance.

LONG-TERM CARE INSURANCE

Glossary of Terms & Definitions

Understanding the columns in your product comparison

ADVISORSERVE®

YOUR PLAN DRIVES THE PRODUCT

October 6, 2026

Beginning Monthly Benefit

The maximum dollar amount the policy will pay per month for qualifying long-term care expenses at the time the policy is issued. For hybrid products, this amount is typically derived from the death benefit and benefit period selected at purchase.

Coverage Length / Benefit Period

The maximum duration over which the policy will pay LTC benefits — expressed in months or years. Some policies offer a shared pool between spouses (joint policies) or lifetime coverage with no fixed endpoint (e.g., AssetCare). Reimbursement policies can extend beyond the stated period if monthly expenses are less than the maximum.

Annual Increase (Inflation Protection)

An optional or built-in feature that increases the monthly benefit amount each year to help benefits keep pace with the rising cost of care. Common options include 3% simple, 3% compound, and 5% compound. Compound growth significantly outpaces simple growth over long time horizons.

Available Now (Total Benefit Pool)

The total dollar amount available for LTC claims from day one of eligibility. Calculated as the monthly benefit multiplied by the benefit period (in months). For reimbursement policies, unused monthly amounts remain in the pool and extend coverage duration.

@ Age 85 Monthly

The projected monthly benefit amount the policy will pay at age 85, after annual inflation increases have been applied over the years between the insured's current age and age 85. Illustrates the long-term purchasing power of the chosen inflation option.

@ Age 85 Pool

The projected total benefit pool available at age 85, reflecting both the inflated monthly benefit and the full benefit period. Provides a forward-looking view of the total care budget the policy will support at the age when most claims begin.

Death Benefit

For hybrid life/LTC policies, the amount paid to beneficiaries upon the insured's death. LTC benefit payments typically reduce the death benefit dollar-for-dollar. Many policies guarantee a minimum residual death benefit (e.g., 10–20% of original face amount) regardless of LTC claims paid. Traditional standalone LTC policies have no death benefit.

Guaranteed Death Benefit

The minimum death benefit guaranteed to be paid regardless of how much of the policy has been used for LTC claims. Ensures a baseline legacy value is preserved even after an extended care event. Amount and guarantees vary by product and carrier.

Wait Period (Elimination Period)

The number of days at the start of a qualifying claim during which the insured must pay for care out of pocket before benefits begin — similar to a deductible measured in time rather than dollars. Common periods are 0 days (no waiting) and 90 days. Some products retroactively reimburse the elimination period once it is satisfied.

How Benefits Are Paid

Describes the reimbursement model used to pay claims. Reimbursement policies require the insured to submit receipts for qualifying care expenses and will only pay up to the documented amount, up to the monthly maximum. Indemnity (or cash) policies pay the full monthly benefit directly to the policyowner once a claim is approved — no receipts required, funds may be used for any purpose including informal family care.

Premium Options

The available payment structures for the policy premium. Single Pay means one lump-sum premium at purchase. N-Pay (e.g., 10-Pay) means level premiums paid over a fixed number of years, after which the policy is fully paid up. Pay to Age N means premiums continue until the insured reaches a specified age. Shorter pay periods result in higher annual premiums but earlier paid-up status.

Return to Beat

The annualized after-tax, after-fee rate of return a client would need to earn on the premium dollars invested elsewhere to accumulate the same total benefit pool available at age 85. For hybrid (single-pay) products: calculated as a simple lump-sum IRR — (Benefit Pool at 85 ÷ Single Premium)^(1/N) − 1, where N = years to age 85. For traditional LTC (annual-pay): calculated as the annuity-due IRR — the rate that makes the future value of annual premium payments equal the benefit pool at age 85, accounting for beginning-of-year payment timing.

For informational purposes only. Not a contract or offer of insurance. All figures based on current carrier illustration assumptions subject to change. Benefits depend on insured satisfying eligibility requirements. LTC policies have exclusions, limitations, and reductions of benefits.

Eligibility Requirements

The two pathways that qualify an insured to receive LTC benefits

FAQ: WHAT ARE THE REQUIREMENTS TO BE ELIGIBLE TO RECEIVE LTC BENEFITS?

To qualify for LTC benefits under a federally tax-qualified policy, a licensed health care practitioner must certify that the insured meets **one of two pathways**, with the condition expected to last at least 90 days.

PATHWAY 1 — PHYSICAL · UNABLE TO PERFORM 2 OF 6 ACTIVITIES OF DAILY LIVING (ADLS)

Transferring

Moving into or out of a bed, chair, or wheelchair.

Toileting

Getting to and from the toilet and performing personal hygiene.

Continence

Maintaining control of bladder and bowel functions.

Bathing

Washing oneself and getting in and out of the shower or tub.

Dressing

Putting on and taking off clothing and any necessary braces, fasteners, or artificial limbs.

Eating

The ability to feed oneself.

What is "substantial assistance"? **Hands-on assistance** is the physical help of another person, without which the insured could not perform the ADL. **Stand-by assistance** is the presence of another person within arm's reach to prevent injury — for example, being ready to catch the insured if they fall getting out of the bathtub, or to intervene if they choke while eating.

PATHWAY 2 — COGNITIVE · SEVERE COGNITIVE IMPAIRMENT

A deterioration or loss of intellectual capacity comparable to (and including) Alzheimer's disease and similar forms of irreversible dementia, measured by clinical evidence and standardized tests of the individual's:

- Short-term or long-term memory
- Orientation as to people, places, or time
- Deductive or abstract reasoning

What is "Substantial Supervision"?

Continual supervision (including cuing by verbal prompting, gestures, or other demonstrations) by another person, necessary to protect the insured from threats to health or safety — such as may result from wandering.

Key distinction: cognitive impairment alone is sufficient to trigger LTC benefits — no ADL deficiency is required, regardless of physical function. This is an important distinction for clients concerned about Alzheimer's or dementia.

For educational purposes only. Quotes taken from general policy language in Midland National insurance contract. Specific policy terms vary by carrier and state. Not a contract or offer of insurance.

The Claim Process & Benefit Payment

How eligibility is determined, and how benefits are paid out

FAQ: HOW IS ELIGIBILITY DETERMINED, AND HOW ARE LTC BENEFITS PAID?

How Eligibility Is Determined

The process starts with your doctor — not the insurance company. The carrier relies on medical documentation from the treating physician or a licensed health care practitioner to validate the claim. The carrier will request:

- ✓ **Confirmation of chronic illness** by a licensed health care practitioner.
- ✓ **Copies of medical records** — similar to those requested during the original application.
- ✓ **The original and current plan of care** — what care is being received and why it is medically necessary.
- ✓ **Documentation of 2-of-6 ADL inability or cognitive impairment** — the clinical basis for the determination.

Many carriers (including OneAmerica and Lincoln) assign a dedicated care coordinator or concierge at claim time to help the family navigate the process and set up billing directly with care providers.

How Benefits Are Paid: Reimbursement vs. Indemnity

The two methods by which LTC policies pay benefits — understanding this difference is essential to choosing the right product.

REIMBURSEMENT

- Pays only **actual expenses incurred** — receipts and invoices from qualifying providers are submitted to the carrier.
- Unused benefit stays in the pool: a $5,000 maximum with $3,500 of expenses pays $3,500, and the remaining $1,500 **extends coverage duration**.
- Care may be skilled or informal but **must come from a licensed service** — will not pay a friend or family member directly.
- Most carriers set up billing directly with the care provider through their concierge service.

INDEMNITY (CASH BENEFIT)

- The **full monthly benefit is paid directly to the policyowner** once the claim is approved — no receipts required.
- Funds may be used **however the policyowner sees fit** — the carrier has no accountability over how the money is spent.
- *Example:* pay a family member for weekend care, fund meal delivery, or cover home modifications.
- Maximum flexibility — particularly valuable for clients who anticipate relying on family caregivers or non-traditional care arrangements.

For educational purposes only. Quotes taken from general policy language in Midland National insurance contract. Specific policy terms vary by carrier and state. Not a contract or offer of insurance.