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| **The Pros and Cons of Long-Term Care Insurance****The need for some form of long-term care (LTC) as we age will be a reality for many people. With the cost of a private room in a nursing home averaging $8,821/month1, the drain on your retirement savings can be substantial. Explore your options now to cushion the impact of LTC costs on your wealth.**Approximately 70% of seniors aged 65 and older will require some form of long-term care2. Yet the efficacy of LTC insurance is a topic of hot debate, given the high premiums charged. Here are some pros and cons for you to consider when deciding whether to get LTC insurance.**Pro: Peace of mind.**As you get older, it can be a great comfort to know that you’ll have a guaranteed source of funds to support your health needs. Chances are the longer you live, the greater chance you will need some form of assisted living, home health services, or a skilled nursing facility. All these options are expensive, and the costs continue to rise. You can increase your peace of mind by including an inflation rider in your LTC policy to protect against the growing cost of care. While some riders are part of an existing contract, many others may carry additional fees, charges and restrictions, and the policy holder should review their contract carefully before purchasing.**Con: It’s hard to know how much LTC insurance to buy.**It’s a two-sided risk. Take out too much insurance and you are wasting money on unnecessarily high premiums. But too little insurance will leave you plugging the shortfall out of pocket if you need long term care in the future. LTC insurance pays a fixed amount for a fixed period, but you have no guarantee it will be enough. Also, ask yourself how you will feel if you pay out high premiums but don’t use all the benefits you bought.**Pro: Ways exist to help with costs.**If you are self-employed or run your own business, you may be able to deduct your LTC insurance premiums. There are new, hybrid life/LTC insurance policies that can be less expensive and you may be able to deduct the LTC component. You and your spouse may be able to share benefits if you both buy policies from the same insurer. For example, if you both purchase $200,000 in benefits and one of you exhausts that amount, the spouse’s policy can provide additional coverage up to its limit. You should discuss this option with your financial and tax professionals.**Con: You may have to wait for benefits.**Most LTC insurance policies include an elimination period in which you must pay LTC costs out of your own pocket. This is the period from the inception of care to the first date of coverage, and it exists to help keep premiums down. If your policy has a 90-day elimination period, you will need to self-finance your care for that amount of time. For some folks, a deferred lifetime annuity might be one way to pay for LTC costs not covered by your policy.**Paying for LTC requires a strategic plan.**If you are very wealthy, you might decide to pay LTC costs yourself. However, LTC insurance offers a mix of advantages and disadvantages that require careful analysis. Contact me today to discuss how LTC insurance can fit into your long-term plans, whatever the future brings.The cost and availability of Life Insurance depend on many factors such as age, health, and amount of insurance purchased. In addition to premiums, there are contract limitations, fees, exclusions, reductions of benefits, and charges associated with policy. And if a policy is surrendered prematurely, there may be surrender charges and income tax implications.Annuities are long-term investment vehicles designed for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Withdrawals made prior to age 59 ½ are subject to a 10% IRS penalty tax and surrender charges may apply.Any guarantees are contingent upon the claims-paying ability of the issuing company.

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| 1 [thebalance.com/average-cost-of-a-nursing-home-4177589](https://www.thebalance.com/average-cost-of-a-nursing-home-4177589) [2/5/21]2 [acl.gov/ltc/basic-needs/how-much-care-will-you-need](https://acl.gov/ltc/basic-needs/how-much-care-will-you-need) [2/18/20]Tracking #1-05182278Expiration 08/24 |  |

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