Long-Term Care Insurance
SALES KIT

In this kit:

Social media starters | Sales ideas | Client brochure | Cost of Care info

PINNEY INSURANCE

PINNEYINSURANCE.COM | 800-823-4852
2266 LAVA RIDGE COURT | ROSEVILLE, CA 95661

The Great Retirement Income Gap social media campaign PM-784

We're excited to announce a new turn-key social media campaign! Our objective is to educate consumers about the importance of having a long-term care strategy to protect against a possible retirement income gap.

This campaign includes text, images and links, and all content is approved for use. It's easier than you might think to place in your social media channels. In minutes, you can create a robust 11-week social media campaign.

The content library and sample calendar are included in this document.

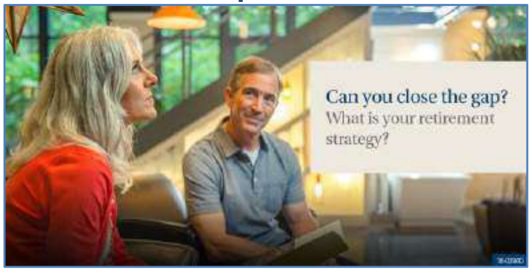
Using our content to create posts

1. Download the social media memes and save them to your computer. Click any image to open it in your browser, where you can save/download it to your device.
2. To create social media posts:
   - **Facebook:** Open your Facebook account and select publish. Select the Photo icon and then Upload Photo. Find the image on your computer and select Choose. After the image has been inserted into your post, select Post.
   - **Twitter:** Open your Twitter account and select Tweet at the top right. When the box opens, select the camera image at the bottom. Use the pop-up box to locate the image on your computer and then select Choose. Click the Tweet button.
   - **LinkedIn:** Navigate to your LinkedIn home page. Select the Share an Update box. Choose the photo image to the right; a pop-up box will prompt you to locate the image on your computer. Select the image and then click Choose. Select Share.

Social media campaigns are a great way to reach and drive conversations with potential clients. Don't miss this opportunity to promote long-term care protection with existing and potential clients. You can educate them about the great retirement income gap and take your social media presence to the next level!

The Great Retirement Income Gap campaign content library

Post 1 — Text/Meme — There's a 70% chance you'll need #longtermcare after age 65. #GreatIncomeGap



Post 2 — Text/Article — As life expectancy increases, so does the likelihood you may need #longtermcare during your lifetime. #Lifeinsurance with asset-based, long-term care protection could help you maintain the quality of life and care you deserve. #GreatIncomeGap

https://www.oneamerica.com/articles/Article-AssetBasedLTC?siteArea=/oacontent/oneamerica/financial-education/individuals/resources


Draft

Author R. Boyle | Release Jul 10, 2018 | Expire never

As life expectancy increases, so does the likelihood you may need #longtermcare during your lifetime. #Lifeinsurance with asset-based long-term care protection could help you maintain the quality of life and care you deserve. #GreatIncomeGap

How Assest-Based Long-Term Care Works

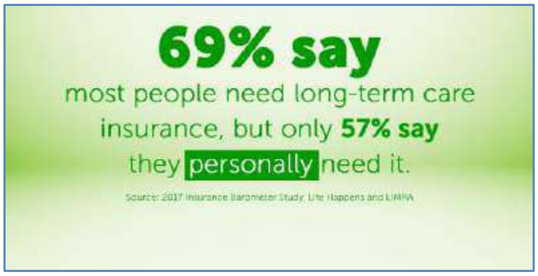
Statistics show 70% of people over 65 will need long-term care in their lifetime. How will you pay for it?

www.oneamerica.com

Post 3 — Text/Meme — If you get injured or ill and can't take care of yourself, who will? Get the #longtermcare you need in the setting you want. #GreatIncomeGap

The Great Retirement Income Gap campaign content library (cont.)

Post 4 — Meme — 69% say most people need long-term care insurance, but only 57% say they personally need it.

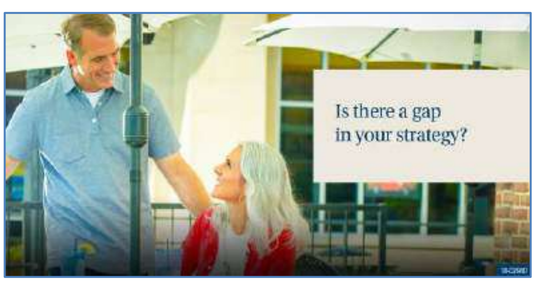


Post 5 — Text/Meme — A home health aide costs about $42,000 per year. Most health and government programs don't cover this. I can help. #GreatIncomeGap

Post 6 — Text/Article — Don't drain your savings or #retirement funds with #longtermcare requirements. Let's talk. #GreatIncomeGap

https://money.cnn.com/2018/04/03/retirement/healthcare-in-retirement/index.html

Post 7 — Text/Meme — Premiums for #longtermcare protection are best in your 40s and 50s. #GreatIncomeGap



The Great Retirement Income Gap campaign content library (cont.)

Post 8 — Text/Meme — Don’t let your dreams of living a full life get put off by a serious injury or illness. Protect your dreams. #GreatIncomeGap

Post 9 — Text/Meme — The median cost of home healthcare is $45,000 per year. Just a couple years could have a significant impact on your savings. #GreatIncomeGap

Post 10 — Text/Article — Costs for #longtermcare are on the rise. Live your #retirement years on your terms. #GreatIncomeGap

http://www.lifehappens.org/blog/heres-what-you-need-to-know-about-a-long-term-care-insurance-policy-2/

The Great Retirement Income Gap campaign content library (cont.)

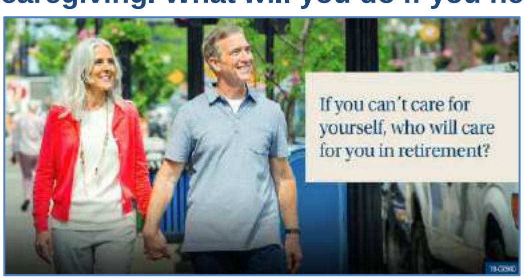
Post 11 — Text/Meme — Health insurance won't cover home modifications or help get you dressed, bathed or fed. How will you care for yourself? #GreatIncomeGap

Post 12 — Text/Meme — Protect your loved one's savings and emotional well-being. #retirement #GreatIncomeGap

Post 13 — Text/Video — A nursing home costs about $80,000–$100,000 per year. Health and government programs don't cover this. Let me help. #GreatIncomeGap

https://www.lifehappens.org/videos/long-term-care-insurance-101/

Post 14 — Text/Meme — 33% of family caregivers spend more than 30 hours per week on caregiving. What will you do if you need #longtermcare? #GreatIncomeGap



The Great Retirement Income Gap campaign content library (cont.)

Post 15 — Text/Article — Almost half of family caregivers spent more than $5,000 per year in caregiver costs. #GreatIncomeGap

https://www.moneytalksnews.com/ask-stacy-should-have-long-term-care-insurance/

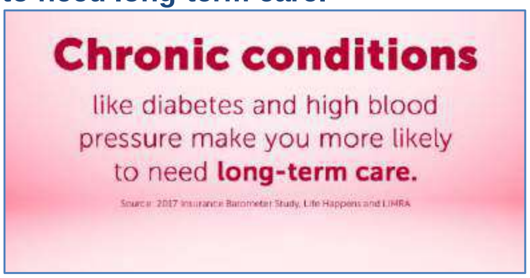
Almost half of family caregivers spent more than $5,000 per year in caregiver costs. #GreatIncomeGap

Should I Buy Long-Term Care Insurance?

Before it's over, many of us will end up in a nursing home. This reader wants to know if long-term care insurance is a good idea. That's funny; ...

www.moneytalksnews.com

Post 16 — Meme — Chronic conditions like diabetes and high blood pressure make you more likely to need long-term care.



Post 17 — Text/Meme — If your spouse has a stroke, your child's in an accident or your aging parents need help cooking and cleaning, what's your strategy to care for them? Let me help. #GreatIncomeGap

The Great Retirement Income Gap campaign content library (cont.)

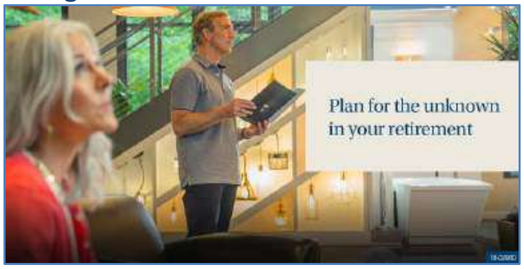
Post 18 — Text/Article — Do you know how your spouse/parent wants to be cared for in the event of a life-changing injury/illness? These tips can help you start talking. #GreatIncomeGap
https://www.forbes.com/sites/carolynrosenblatt/2016/04/21/the-truth-about-long-term-care-and-why-you-must-talk-about-it/#6c9b909068c3

Post 19 — Text/Meme — Don't just hope your family or government programs will care for you long term. Make plans to live on your terms. #GreatIncomeGap

Post 20 — Text/Article — Health insurance and government programs don't cover #longtermcare. If you can't care for yourself, who will? #GreatIncomeGap
http://www.lifehappens.org/blog/6-things-you-didnt-know-about-long-term-care-insurance/

The Great Retirement Income Gap campaign content library (cont.)

Post 21 — Text/Meme — Medicare, Medicaid and medical insurance policies don't cover most #longtermcare costs. Live the #retirement of your dreams, on your terms. #GreatIncomeGap



Post 22 — Text/Meme — 60% of caregivers have to cut discretionary spending; 46% say providing care impacted their health and well-being. What's your strategy? #GreatIncomeGap

Post 23 — Text/Meme — You planned a dream #retirement. Stay in control of that dream. #Longtermcare protection can keep you living where you choose. #GreatIncomeGap

Post 24 — Meme — More than a third of Americans are very or extremely concerned about long-term care expenses.

For company use only. Not for public distribution.

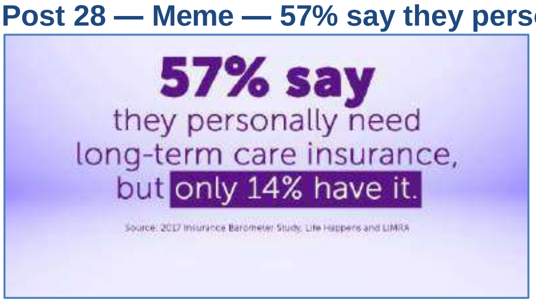
The Great Retirement Income Gap campaign content library (cont.)

Post 25 — Text/Infographic — You can relieve the burden of #longtermcare from your family if you get seriously injured or ill. Let me help. #GreatIncomeGap
https://cdn2.hubspot.net/hubfs/405630/Who_Will_Pay_for_Care_Infographic_from_LifeSecure.pdf?t=1500664623371

Post 26 — Meme — More than half of people are concerned about paying for long-term care services, but only 14% own long-term care insurance.

Post 27 – Text/Article – Not all #longtermcare protection is created equal. Understand the risk and learn your options. #GreatIncomeGap
http://www.foxbusiness.com/features/2017/06/24/long-term-care-beware-what-medicare-medicaid-does-not-cover.html

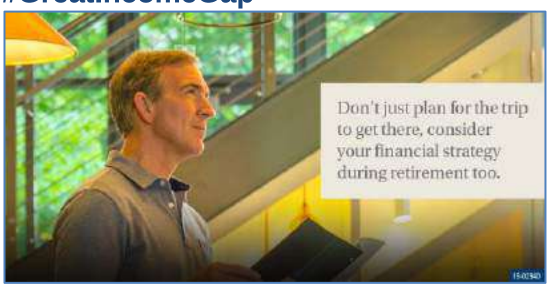
Post 28 — Meme — 57% say they personally need long-term care insurance, but only 14% have it.



The Great Retirement Income Gap campaign content library (cont.)

Post 29 — Text/Article — There are more options than ever to help you maintain comfort and dignity when you need #longtermcare. #GreatIncomeGap
https://www.oneamerica.com/articles/Article-FEI-What-is-long-term-care?siteArea=/oacontent/oneamerica/financial-education/individuals/resources

Post 30 — Text/Image — What's the goal in mountain climbing? Most would say to get to the top, but it's really to get back down successfully. It's the same with #retirement. I can help. #GreatIncomeGap



Post 31 — Text/Meme — Everyone needs a plan to get down the mountain of #retirement. Obstacles can create detours and halt your descent. Let me help you on your financial journey. #GreatIncomeGap

The Great Retirement Income Gap campaign content library (cont.)

Post 32 — Text/Meme — Expenses impact income in #retirement. I can help. Let's talk. #GreatIncomeGap

Red = OneAmerica content

The Great Retirement Income Gap campaign sample calendar

MONTH 1

Week 1	Monday – Post 1	Wednesday – Post 2	Friday – Post 3
Week 2	Tuesday – Post 4	Thursday – Post 5	Saturday – Post 6
Week 3	Monday – Post 7	Wednesday – Post 8	Friday – Post 9
Week 4	Tuesday – Post 10	Thursday – Post 11	Saturday – Post 12

MONTH 2

Week 1	Monday – Post 13	Wednesday – Post 14	Friday – Post 15
Week 2	Tuesday – Post 16	Thursday – Post 17	Saturday – Post 18
Week 3	Monday – Post 19	Wednesday – Post 20	Friday – Post 21
Week 4	Tuesday – Post 22	Thursday – Post 23	Saturday – Post 24

MONTH 3

Week 1	Monday – Post 25	Wednesday – Post 26	Friday – Post 27
Week 2	Tuesday – Post 28	Thursday – Post 29	Saturday – Post 30
Week 3	Monday – Post 31	Wednesday – Post 32	

WHO DO YOU KNOW?

Think of your clients' needs.

Who would be good candidates for a specific solution or a general review?

Long Term Illness Expenses

WHO DO YOU KNOW WHO...

- May have owned a standalone long-term care policy with increasing premiums?
- Has extra discretionary income and a net worth of $250,000 or more (excluding primary residence)?
- Is concerned about threats to their future financial stability?
- Is currently providing financial support to parents, or knows someone that is?
- Knows someone who has been in a nursing home or needed attentive medical care?

Major Life Changes

WHO DO YOU KNOW WHO...

- Has had a major life change:
  - Marriage, or divorce?
  - New child/children, or child off to college?
  - New home, or adult child return home?
  - New job, or new business?

Legacy Planning

WHO DO YOU KNOW WHO...

- Is concerned about potential long-term care expenses?
- Has an interest in using their assets to guarantee inheritance to their children?
- Lives a thrifty life to maintain/enhance the value of their legacy?
- Looks for ways to provide each child an even share of the legacy?
- Has excess assets in their portfolio that they have put aside for their legacy?
- Has an interest in leaving a substantial charitable donation?

Tax Diversification

WHO DO YOU KNOW WHO...

- Is highly committed to his/her financial future?
- Help to manage the tax treatment of retirement assets—resulting in the potential for higher net income during retirement years.
- Wants diversification and tax-favored growth in their plan?
- Is between the ages of 30 - 55 and generally healthy?
- Currently owns or has recognized a need for additional life insurance?

Small Business

WHO DO YOU KNOW WHO...

- Wants to keep the business "family owned and operated" after their death?
- Wants to help ensure the business can be sold for fair market value in the event of their death, disability, or other unexpected event?
- Wants to provide supplemental retirement benefits for themselves or other key employees?
- Wants to provide their children with equal inheritance even if one or more of their children will not be involved in the future of the business?
- Could face significant costs to replace key employees?

AIG®

Care planning compass

Key events that may trigger a care planning discussion

Annual opportunities

- Birthdays
- Promotion or annual bonus
- SECURE Act
- Tax return review
- 1040 dividend strategy
- Cash value life policy review

Life stage events

- Retirement planning
- RMDs/annuity income
- Family caregiving
- Legacy planning
- LTC planning in a down market

Review opportunities

- Marriages/divorce
- Sold a business
- Paid-off mortgage
- Paid-off tuition
- Female planning opportunities

Proven care planning strategies

Affordable and flexible opportunities

- 50/10 hedge strategy
- Multigenerational play
- Gifting strategies
- Annuity funded LTC plan
- RMD review
- Access qualified dollars
- SECURE Act with 72 T&Q
- Beyond self-funding
- Disciplined care-funding approach
- Front-loaded flex-pay
- Accumulating a pool of tax-free LTC funds
- 60/40 premium split
- Executive benefit play

Chart your care planning discussion

Plot the LTC Discussion

- Questions to start "The LTC conversation"
- 4 common LTC myths
- Asset identifier
- Client profiles flier
- Custom client hypo
- eApp capabilities

Financial professional LTC toolkit

- Face the future with confidence
- PlanMyLTC.com
- Compass driven webinar
- Virtual wholesaling and planning support
- Suite of eOptions: eApp through eDelivery
- Resource library

All blue text indicates hyperlinks that click to content.

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

What would your clients do if their health suddenly changed?

Take a look at four Lincoln *MoneyGuard*® client profiles with payment options that may work best.

Cash-strong clients

Can contribute $50,000 to $500,000 in premiums.
Single- to 3-pay premium†

They're selling a business, their home or may have CDs about to mature.

Clients: ______________________

____

Pre-retirees

Can contribute $5,000 to $50,000 in annual premiums.
5- to 10-pay premium†

They have a date with retirement and the cash flow to put into a long-term care policy for wealth protection.

Clients: ______________________

____

Retirees focused on IRAs, required minimum distributions (RMDs) and annuities

Can contribute $5,000 to $50,000 in annual premiums.
3- to 10-pay premium†

They are comfortable without extra income and want to reposition assets to help protect their wealth.

Clients: ______________________

____

Young professionals

Can contribute $5,000 to $50,000 in annual premiums.
May receive an annual 5- to 40-pay premium†‡

They are concerned about long-term care for a parent and the impact it may have on their own wealth, or want to get an early start on protecting themselves.

Clients: ______________________

____

Let's customize a plan. Ask your client these questions, and we'll get started.

- Will they supplement their healthcare protection from cash savings or cash flow?
- Is your client married or single?
- What is their local cost of care?

† Flexible premiums available to be paid up to the greater of 10 years or age 70. Payment options up to 9 years at age 73, graded down by one year at each subsequent age, to 2 years at age 80.

‡ 40-pay is only available to clients, age 30. After age 30, this option grades down by one year at each subsequent age. Availability may vary by state.

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

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Source: https://equitable.com/selling-life-insurance/learning/blogs/2020/the-gender-gap-why-women-should-care-about-long-term-care

< From industry experts

The gender gap: why women should care about long-term care

Dr. Sandra Timmermann
02/19/2020

Women today are living a life that is quite different from their grandmothers and even their mothers. Most are in the workforce and earning good salaries, and they understand money in ways that earlier generations of women did not. Yet there are some things that are slow to change. There is still a gap in most of their retirement plans, and that gap is protecting themselves and their spouses (if they are married) against long-term care risk.

Women: providing care, needing care, aging alone

Why is a conversation about long-term care as part of the retirement planning process so important for women in particular? Looking at the statistics, there are some real differences between men and women that can have an impact a woman's financial future and her quality of life. Women are:

- More likely to live longer
- More likely to be widows
- More likely to live alone
- More likely to be caregivers
- More likely to drop in and out of the workforce
- More likely to earn less money
- More likely to have spent down assets to provide spousal care
- More likely to reside in a long-term care facility

All these factors can come into play as women age. From a longevity perspective, women are the winners — but they hav more unknowns about their longer life that can make them more vulnerable. They often marry men who are older, and outlive them. It's common for a wife to care for her husband, often for years, neglecting her own health and spending down hard-earned money when she can no longer provide the amount and level of care needed. When her husband dies she is not likely to remarry. It's not unusual for men to get married again after the death of their wife. As some women sa "as soon as a man is single again, the casseroles start appearing at the door."

This is not to disparage men. Many have spent years caring for their wives, have used up assets to pay for care and find themselves alone. But the odds are greater that women who become widowed or divorced will end up living by themselves, often without family members nearby to help out if care is needed and with less money available to pay for their own care. And because age and chronic conditions are correlated, care needs can intensify over time.

Despite the advances that women have made in the workplace, particularly for younger women, overall, women still earn less than men. This can impact their financial security as they move into retirement and beyond. One reason, of course is the gender pay gap. But another is that women are the ones who drop in and out of the workforce or go from full to part-time employment or stop working altogether—to care for their children, to care for aging parents and for other reasons such as a husband's relocation or decision to retire. A Society of Actuaries study reported that women were mo likely than men to say that their spouse's retirement or caregiving responsibilities prompted them to retire earlier than expected.[1]

Single women and women without children are a special case. They most likely will not have family members to rely on should they need care or the financial resources to pay out of pocket.

Retirement planning: gender differences

For all the reasons mentioned above, it's clear to see that a good retirement plan becomes equally or more important for women. There are some subtle differences in attitudes and behaviors of women and men that financial service professionals should be aware of as they start the long-term care conversation. Studies find that women are more worrie than men about having enough money in retirement.[2] And women feel they are not very knowledgeable about financial products.[3] They also lack confidence and take fewer risks. Younger women appear to be more comfortable setting financial goals and making financial decisions but the stats above indicate that women of all ages are still not on the same financial wave length as men.

When it comes to long-term care concerns, studies report that both men and women worry about paying for health and long-term care in retirement, but it's an issue of even greater concern to women. It's interesting to note that in a recent study, women indicated as their top financial priority that they "do not want to be a financial burden on loved ones." Mer top priority, on the other hand, was "to maintain their lifestyle in retirement."[4] It's also interesting that women, especially those who are widowed, want to learn about long-term care insurance products from their financial advisors, but say tha advisors do not bring it up.[5]

The long-term care conversation

The need is great to help women protect themselves (and their husbands/partners, if married) against long-term care ris Here are some things to think about when talking to women.

1. Start the conversation—deep down, women want to address long-term care

As reported above, women appear to have greater concerns about the possibility of needing long-term care than men. While the topic can be difficult and unpleasant for both men and women, women may be more tuned into a discussion about it.

2. Help married women think through their spouses'/partners' and their own care needs

Ideally, both husband and wife need to address long-term care and purchase long-term care protection. From a woman's point of view, a husband needs it (if she becomes the caregiving spouse) to help her supplement the care she provides and not spend down assets. And it will be essential for her to purchase as well to pay for her own care where she wants

3. Meet the needs of single women

Women who are single, divorced and without children may not have family members to fall back on. A conversation abou what they would do if they become incapacitated is especially important to their future well-being.

4. Spend time providing education and information

For those women who lack confidence or believe that they don't know enough about financial products, take time to explain the value of the product and the features without being heavy handed. Research indicates that womer ond well to a collaborative approach to making financial decisions.

5. Build on women's more balanced approach to risk

Studies show that women are more risk-adverse than men. If this is the case, a long-term care protection product meets their need to hedge their bets as they move into retirement and old age.

In sum, today's women are smart, well-educated and ready to plan for the years ahead. You have an opportunity to lead discussion about where they want to live should something happen to their spouses or themselves, to provide sound information in a thoughtful and empathetic way, and to offer a product strategy that will enable them to have a more secure future.

1 Impact of Retirement Risk on Women: 2013 Risks and Process of Retirement Survey Report, Society of Actuaries, 2013.

2 Ibid.

3 Financial Experiences and Behaviors Among Women, Prudential, 2013.

4 Ibid.

5 Survey of Widows and Widowers, American College Center on Women and Financial Services, July, 2016.

The Long-Term Care Services SM Rider (LTCSR) comes at an additional cost and does have restrictions and limitations. A client may qualify for the life insurance but not the rider. The LTCSR is paid as an acceleration of the death benefit.

Life insurance products are issued by Equitable Life Insurance Company (NY, NY) or Equitable Financial Life Insurance Company of America (EFLOA), an Arizona stock corporation with its main administration office in Jersey City, NJ 07310 and are co-distributed by affiliates Equitable Network, LLC (Equitable Network Insurance Agency of California in CA; Equitable Network Insurance Agency of Utah in UT; Equitable Network of Puerto Rico, Inc. in PR), and Equitable Distributors, LLC. Variable products are co-distributed by Equitable Advisors, LLC (Member FINRA, SIPC) and Equitable Distributors, LLC. When sold by New York based (i.e. domiciled) financial professionals life insurance is issued by Equitable Financial Life Insurance Company (NY, NY).

Life insurance contains exclusions, limitations, and terms for keeping it in force. For costs and complete details, contact a Financial Professional.

Equitable and its affiliates are not affiliated with Dr. Sandra Timmermann.

IU-2951222 (02/2020) (Exp. 09/2020)

Nationwide®
is on your side

NATIONWIDE RETIREMENT INSTITUTE®

Breaking the Ice With Your Clients:

How to broach the topics of health care and long-term care costs in retirement

Insights from the 2018 Nationwide® Health Care and Long-term Care Consumer Survey of affluent U.S. adults, age 50+ with a household income of $150k+

It's no secret that people don't like to think about getting older, falling ill or needing to rely on others as they age. These topics are emotionally charged and deeply personal. Broaching these subjects can become increasingly challenging once your client faces a health issue or goes through the process of caring for or losing a parent.

Still, nearly 8 in 10 affluent U.S. adults expect their financial advisors to provide advice on planning for health care and long-term care costs in retirement. Here are some ways to break the silence, build confidence and help your clients prepare early to make informed decisions for their retirements.

HEALTH CARE COSTS IN RETIREMENT

BREAKING THE ICE

- Start by asking about your client's retirement goals. Do they see themselves traveling the world? Spending time with grandchildren? Pursuing a passion?

- Broach the subject gently with something like: *"Together we can make a plan to help prevent health care expenses—one of the largest costs in retirement—from getting in the way of these aspirations. Of course, there are a lot of unknowns. But once we estimate your costs, we can figure out a way to fund your lifestyle in retirement, so you can feel more confident about your financial future."*

- Be empathetic, listen attentively and use a warm tone.

ESTIMATE CLIENTS' HEALTH CARE COSTS IN RETIREMENT

- Ask your clients about their projected health care costs in retirement. Survey respondents' average annual estimate for themselves is $8,800, while their average annual estimate for their partners is $14,000. According to the Employee Benefit Research Institute, out-of-pocket health costs are expected to stack up to $296,000 - $399,000 throughout retirement for the average 65-year-old couple.

Source: "Savings Medicare Beneficiaries Need for Health Expenses: Some Couples Could Need as Much as $400,000, Up From $370,000 in 2017" at age 65 assuming 90% chance of having enough savings, EBRI, October 8, 2018.

- Complete **Nationwide's Heath Care Cost Assessment** together to build an estimate of each client's personalized expected health care costs in retirement.

  Visit nationwidefinancial.com/healthcare

  Call the Retirement Institute Income Planning Team at 1-877-245-0763

SOLVE FOR CLIENTS' HEALTH CARE COSTS IN RETIREMENT

- Use the clients' personalized Health Care Cost Assessment results along with Nationwide's simple **Health Care Solutions Guide: Quick Quote** tool to help your clients plan for covering estimated health care costs in retirement.

  Visit nationwidefinancial.com/healthcare

  Call the Retirement Institute Income Planning Team at 1-877-245-0763

LONG-TERM CARE COSTS IN RETIREMENT

WAYS TO OPEN THE CONVERSATION

- The best time to start thinking about long-term care costs is before your client needs long-term care because your client may need to health-qualify, or be in good physical and mental health. Often this means that their 40s or 50s is the right time to buy.

- Gently ask about your client's experience in caring for their parents as they age and see if they are comfortable talking about it:

  Have they needed care yet? Who is their primary caretaker? Is this caretaker paid? How do they fund the care? Do they receive care at home or in a facility? Was a plan laid out in advance?

- Often clients will formulate beliefs about what they would want for themselves while preparing for or caring for a parent. They also may have been involved in financially preparing for their parents' care.

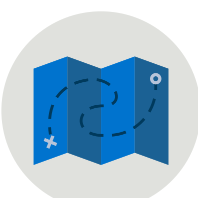
- Planning for long-term care costs can be integrated into any comprehensive retirement planning discussion. Try saying something like:

  "As we plan for your retirement, we also want to account for potential costs you may face down the line. Expenses like long-term care are very common in retirement—in fact, seven out of 10 people over age 65 will need long-term care at some point in their lives. If we estimate these expenses now, we can help you plan for the type of care you want later in life."

  Source: "Medicare and You 2016," Centers for Medicare and Medicaid Services (September 2015).

- Explain how a long-term care plan may provide them with the flexibility to select their care, if they need it.

- Be empathetic and test the waters by broaching the topic a little at a time—most people don't like to think about getting older or potentially needing to rely on others.



SHARE THE FACTS TO HELP CLIENTS SEE THE IMPORTANCE OF MAKING A PLAN.

- More than three-quarters (77%) of respondents say that if needed, they would most prefer to receive long-term care in their own home. But nearly half are worried about the negative impact this preference could have on their families. In fact, 65 percent would only rely on a family member for long-term care if they had a source of funding to pay them.

- Actual annual long-term care expense estimates range depending on the location:

  $18,379 adult day health care
  $46,350 assisted living facility
  $50,668 home health aide services (6.5 hours/day)
  $88,348 nursing home (semiprivate)
  $100,379 nursing home (private)

  Source: "Long-term Care Insurance Statistics," LTC Tree (June 12, 2018).

- Complete **Nationwide's Heath Care/Long-term Cost Assessment** together to build an estimate of each client's personalized expected long-term care costs in retirement.

  Visit nationwidefinancial.com/healthcare

  Call the Retirement Institute Income Planning Team at 1-877-245-0763

DISCLOSURES:

For Financial Professional Use Only

The fourth annual Health Care/Long-term Care Survey was conducted online within the United States by The Harris Poll on behalf of Nationwide from February 5-22, 2018 among 1,007 adults ages 50 and older who have a household income of $150k or more ("affluent adults"), and 522 U.S. adults ages 50 and older who are or have been caregivers. Caregivers are defined as those providing paid or unpaid long-term care to a friend or family member, not through an agency, business, or non-governmental organization. Data are weighted where necessary by age by gender, race/ethnicity, region, education, income, marital status, and propensity to be online to bring them in line with their actual proportions in the population.

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NFM-17454AO.1 (01/19)

Long-term care

White paper

NATIONWIDE RETIREMENT INSTITUTE®

The case for affluent clients buying LTC coverage

Shawn Britt, CLU, CLTC

Director, Long-term Care Initiatives
Advanced Consulting Group
Nationwide

Shawn Britt has been a member of Nationwide's Advanced Consulting Group since 2005 and has been a major influence in developing and promoting Nationwide's long-term care (LTC) product solutions. She is well known in the industry and has been widely published and interviewed about LTC by publications such as The National Underwriter, Financial Advisor, CBS News Money Watch, Insurance News Net and The Wall Street Journal. She is a frequent speaker at numerous industry events including AALU and ILTCI, periodically serves as an adjunct professor on LTC at The Ohio State University and currently serves on the board of advisors for CLTC™.

Many clients — and some advisors — think that insuring for long-term care (LTC) is something reserved for the middle class and that more affluent clients can afford to self-insure. In truth, affluent clients should consider purchasing LTC coverage as well. Because this client group can generally afford better health care, they are more likely to deny the need for LTC. But studies show that the longer you live, the more likely you will need LTC[1]. Therefore, the good health these clients often enjoy could increase their chance of needing LTC in the future.

Affluent clients may pay more for LTC

In addition, LTC services will most likely cost more for affluent people. According to industry expert Claude Thau, affluent clients may not only be more likely than middle class Americans to need LTC services in their lifetime, but the cost of their care may be more expensive[2]. That's because affluent people:

- Tend to want better quality LTC, which will be more expensive
- Are more likely to stay home regardless of the cost to do so
- Are more likely when entering a facility to choose a costlier private room
- Are more likely to select an upscale facility and/or location in town
- May be less likely to receive care from their children; their children often have higher profile and/or demanding jobs, and they may have relocated for career advancement

[1] Council on Aging – "Should I Buy Long Term Care Insurance?", September 2016.
[2] Affluence is a Key Variable in Long-Term Care Considerations, Claud Thau, Ingram's Magazine, August 18, 2017.

Insuring the portfolio — not the person

Many affluent clients hope they will never need care, but believe that if they do, they can afford to pay for it out of their own pocket. That's why a traditional long-term care discussion that centers on the risk of needing LTC — and the importance of insuring that risk — may not go very far. Remember that because these clients may perceive themselves to be "healthy and in good shape", they are more prone to denying that LTC will be part of their future.

It may be more impactful to discuss the consequences to the client's portfolio if a LTC event occurs at an inopportune time with regards to market performance. In other words, talk about insuring the portfolio — not the person.

Insuring the portfolio against an unexpected LTC event

These clients have most likely lived through the Dot Com crash of 2000, the 2008 crash blamed on the real estate and banking industry debacle and perhaps even the market crash referred to as Black Monday that occurred on October 19, 1987. Ask your client if they believe the market could take another tumble. Since the answer will probably be yes, you may get a better response to a discussion that includes statements like these:

"I would like to discuss insuring your portfolio against an unexpected extended health care (LTC) event at a time when the market and your account values are down."

"To do that, I would like to help you create a dedicated stream of income — one that is not tied to the market but is ready to go at a moment's notice — to help pay for any LTC expenses you may have without jeopardizing our strategy for your portfolio."

While it's not possible to predict how and when an account will recover from such events, an advisor may want to remind the client that:

"It could be hard to build your account values back up when you are withdrawing substantial amounts of money from your account to pay for the type of care you want and need."

Although these clients can probably afford to self-insure their potential LTC expenses, they should know that:

"There is no guarantee such an event will occur at a time that is convenient to market performance and your portfolio."

It helps to share this reminder:

"It's my job to discuss ways to help you protect and grow your assets."

Self-insuring vs. "self-assuring"

Affluent clients may be more interested in a discussion that centers on protecting their portfolio. It all comes down to how to self-insure. First, agree with your client that they can afford to self-insure. But then add that there is more than one way to self-insure, and you'd like to show them a way that is potentially more cost-effective. Encourage your affluent client to think in terms of self-assure rather than self-insure.

The client's assets or available income and/or other financial needs will dictate the LTC insurance solutions. There may be a greater need for life insurance coverage now and LTC funding later. Or, the client may be in a position where specific LTC coverage is more appropriate. Regardless of your client's needs, there are various solutions that can address LTC and financial strategies.

Let's look at an example using a cash indemnity linked benefit policy and how it would play out in a self-insure scenario vs. a self-assure scenario. This example uses smaller numbers for simplicity, and assumes a 55-year-old female, couples rate, non-tobacco, 6-year benefit duration and no inflation option[3].

Self-insuring

A person who intends to self-insure might place $100,000 in a secure money market account or other liquid investment. When long-term care is needed, they would spend that $100,000 (plus interest) on LTC expenses and have the total flexibility of cash to pay for any type of care they want, as well as any other needs they might have. If that person is still alive and needs care when the $100,000 (plus interest) is gone, they would have to tap into their accounts and other personal resources to continue paying LTC bills. The need for these funds could come at a time when those other account values have suffered downturns.

Dedicate $100,000 to pay for long-term care

Money is placed in a safe account with a low return

Pay for care using $100,000

Cash provides ease of use and flexibility

But if that runs out

Client uses income/assests that might not be convenient to the portfolio

Self-assuring may be more efficient

Purchasing cash indemnity LTC coverage will produce a different outcome. This same person places $100,000 into a linked benefit LTC policy, purchasing a LTC benefit pool of $541,000. When care is needed, the first $100,000 of benefits would essentially come from their own premium dollars. But once that $100,000 is used, the policy offers $441,000 in additional benefits, paid by the insurance company—not the person's assets—available to help pay for LTC expenses[4]. On the other hand, the self-insure plan would not have provided these extra dollars provided by this insurance protection. And since the policy pays benefits by cash indemnity, the individual will maintain the flexibility of care choices without restrictions from the insurance company.

Reposition $100,000

Purchases $541,000 of LTC benefits

LTC benefits paid from first $100,000 premium

Ease of use — flexibility with **cash indemnity**

If more LTC is needed, funds come from insurance, not assets.

Policy offers another $441,000 in monthly LTC benefits

The key to having a successful LTC discussion that will motivate your affluent client to take action is to center the discussion around portfolio success and how the use of insurance can help protect their portfolio by providing a hedge against LTC expenses. By doing so, you can help them understand the importance of purchasing long-term care coverage.

[3] Stated benefit amounts are based on hypothetical examples, and actual benefit amounts received will vary with changes to age and ratings.

[4] These numbers represent the approximate LTC pool benefit for a 55-year old, female, non-tobacco, and couple rate on a cash indemnity linked benefit LTC policy.

Complete a quick 15-question Health Care/LTC CostAssessment Fact Finder with the client to obtain a Personalized Health Care/ LTC Cost Assessment client report from Nationwide.
Visit **nationwidefinancial.com/healthcare**

Or

Call the Retirement Institute Income Planning Team at **1-877-245-0763.**

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NFM-17566AO (06/18)

Nationwide®
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Long-term care

Article

NATIONWIDE RETIREMENT INSTITUTE®

Creative care design

Steps to customizing a care plan

Shawn Britt, CLU, CLTC

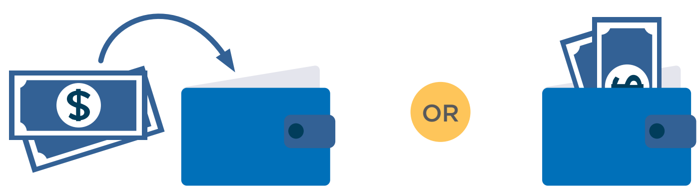
Director, Long-term Care Initiatives
Advanced Consulting Group
Nationwide

Shawn Britt has been a member of Nationwide's Advanced Consulting Group since 2005 and has been a major influence in developing and promoting Nationwide's long-term care (LTC) product solutions. She is well known in the industry and has been widely published and interviewed about LTC by publications such as The National Underwriter, Financial Advisor, CBS News Money Watch, Insurance News Net and The Wall Street Journal. She is a frequent speaker at numerous industry events including AALU and ILTCI, periodically serves as an adjunct professor on LTC at The Ohio State University and currently serves on the board of advisors for CLTC™.

Planning for long-term care (LTC) may seem like a daunting task, especially when individuals or couples feel limited by traditional choices for care. Unfortunately, too many people equate long-term care with nursing homes. In truth, there are numerous options for care, but before customizing a care plan, it helps to understand how LTC benefits can be paid.

How benefits can be paid

LTC benefits are generally paid in one of two ways:



Reimbursement **Indemnity**

A **reimbursement plan** may potentially offer a larger benefit pool, but it will only pay for qualifying LTC costs covered by the policy—up to the benefit limit. And, bills and receipts must be submitted each month to get the benefits. But, for clients only interested in formal care, this option could work.

By contrast, **cash indemnity** pays the full available monthly LTC benefit. Once you're approved for claim, there is no monthly paperwork or proof of expenses to send in. You simply receive a monthly cash benefit to use with no restrictions from the insurance company. Designing a plan using cash indemnity benefits is limited only by the imagination and will allow for the broadest flexibility in your plan and LTC benefit use.

Creative Care Design

Imagine you had cash in hand to pay for care with no restrictions from the insurance company. That means no bills or receipts to submit each month and no worries about what your policy might or might not cover. Think about what would make you happiest if LTC services were needed. The following steps can help you create a design for care. Let's explore each one in greater detail.

- Imagine the type of care you would prefer if there were no restrictions
- Think about where and with whom you are most comfortable
- Determine the changes your home would need for it to remain a safe place to live
- Tie your care plan to your retirement plan and location
- Think about family involvement
- Research your ideas
- Connect the dots
- Establish a well-thought-out backup plan
- Fund the plan

Imagine care with no restrictions

Write down everything that comes to mind — even if it sounds like an absurd idea because what once sounded odd may make sense after you go through all the steps of putting your plan in place. Below are examples of brainstorming:

"I want to live near the beach so I can wiggle my toes in the sand, even if I'm old, infirm and in a wheelchair."

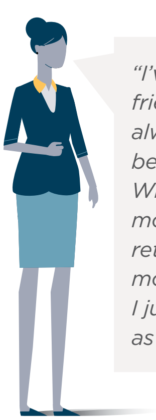
"I've had a great life with more travel and experiences than most. I never had kids and never remarried after my wife died. I would love to live with a family who could help care for me, let me share my life experience with them and maybe teach the kids — and even their parents — about the world and what it has to offer."

"I love my home. I bought this place when the neighborhood was just starting to revive, and I put a lot of my heart, soul and labor into this house. I can't imagine leaving my sun room and the view of my garden. It's a two-story house, but with some thought I might be able to stay here safely if I needed care."

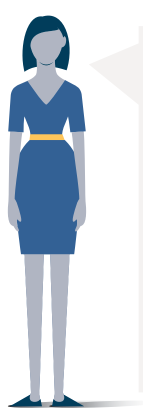
"I don't like the idea of going to a facility for care, and I don't want strangers coming into my home to take care of me. I hear that robots will be the wave of the future. I like that idea because it may help me receive the care I may need in my own home while retaining my privacy."

Think about where and with whom you are most comfortable

For many people, happiness means being surrounded by the people they love and being in a place that is comfortable and familiar.



"I've had the same two best friends since college. We've always said that we want to be together in our old age. Whether we share a home, move to a continuous care retirement community or move to the same facility, I just know life will be fine as long as we stay together."



"Grandma lived with us the last few years of her life. I know it was hard for my mother at times, but that's because she didn't have adequate resources to help her juggle the responsibilities of being a mom and taking care of Grandma. But it was the best time of my life growing up. Grandma taught me things and loved me in ways that were different from my mom and dad. If my daughter is willing, I would love to live with her so she could care for me and I could provide my grandsons with the same love and learning that I experienced with my grandmother."

"I love the desert and being out west. I can breathe there. I'd like to be able to live there in retirement and during the time when I need help with my care."

Determine the changes your home would need for it to remain a safe place to live

Studies show that most people would prefer to stay in their home to receive care for as long as possible[1]. But home care requires planning, especially when it comes to safety and accessibility. It's important to think about the pitfalls your home presents and how to solve those problems.

"I have a two-story house, but there is only a half bathroom downstairs, so moving my bedroom to the dining room would create a problem since there is no place to bathe."

Solution

Install a stair chair for riding up and down the stairs. This will likely work for as long as it is possible to transfer in and out of the chair

"My shower is a bathtub/shower combo. I can see the day when it could be difficult to step over the tub. It's also a bit slippery, and I may not be as sure-footed down the road."

Solution 1

Install safety bars to hold on to while stepping into the tub, and resurface the tub with a non-slip floor

Solution 2

If space allows, replace the current tub/shower combo with a walk-in bathtub. This would eliminate the need to step over the edge of the tub

Tie your care plan to your retirement location

Where do you want to retire? Your plan should reflect this location when considering:

- LTC services that might be available
- The cost of LTC and other services you envision
- Proximity to your children if you need their assistance

Deciding where to retire makes it possible to pinpoint opportunities and costs for care.

Think about family involvement

If you have family members who you'd like to participate in your care, think about how much involvement you may want or need. While some people may want family members and friends to provide their care, others may prefer physical caregiving from another source, reserving family support for help with financial decisions, bill paying, doctor's appointments and other advocacy.

Family support should be discussed up front with the people you want involved in your care to make sure they are both willing and able. Together you can design options that will work for your needs as well as theirs. This discussion should be readdressed annually to ensure that everyone is still on board and to account for life changes such as death, divorce or relocation. For example:

"We live only 20 minutes away from our daughter and her family, but she reminded me that 20 minutes might as well be 20 miles if she has to make several trips a day to help us. A one-floor house located only two doors away from her just went on the market, and she would like us to buy the house and move into her neighborhood. We can help more with the grandkids now, and they can all help us later as we age."

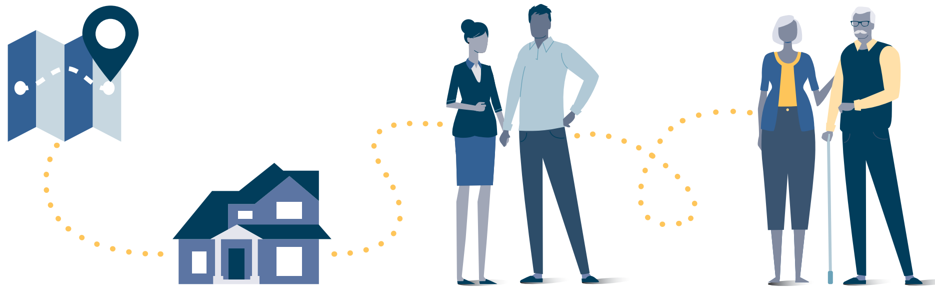
"My son is looking to change jobs and I am about to retire. We have all decided to move to Florida so my son and his family are close by if I need help."

[1] Health Care and Long-term Care Study, presented by The Harris Poll for Nationwide, March 2018.

Research your ideas

Even the best-laid plans will go amiss if you don't do your research. Find out in advance if the services you want or the plans you've created are available where you plan to live.

- **You are single and want to live with a family when you need care**
  - Make sure foster care for the elderly programs are available in the community where you plan to live
- **You want to add a full bath to your main floor so you can convert the formal dining room to a bedroom when climbing stairs is no long possible**
  - Consult a contractor now to be sure this can be done; if not, you will need to adjust your plans before timing and need becomes critical



Connect the dots

Once you've imagined how and where you'd like to receive care — and you've walked through the other steps — you can connect the dots for a customized plan. Using some of the brainstorming examples discussed so far, let's put a hypothetical plan together by connecting the imagined picture of care, the retirement location, who is desired to be nearby, the desire for family involvement, how the family is willing to participate and the research required.

> *"I want to be near the beach so I can wiggle my toes in the sand — no matter how old or infirm I might be. We always loved our family trips to Florida, and since my son is looking for a new job and I am about to retire, we have decided as a family to move to Florida.*
>
> *While I would love to live with my son and his family, they aren't on board with that. However, they like the idea of having me next door or down the street. That's why we've asked a real estate agent to look for two homes close by in communities that have good schools for the grandchildren.*
>
> *Florida has an abundance of one-floor plans and main-floor living, so I can choose my new home with that in mind. I hope to receive care services in my home and stay there as long as possible."*

Establish a backup plan for care

As people age, they face the unknown. Alzheimer's or dementia may enter the picture. Our plan for aging on our own terms may require adjustments, and it's possible that we may no longer be able to make choices.

Think now about where you would want to go if you were to need care in a facility. After sorting through the many options, make sure you communicate your wishes to your family.

Give your children permission to do what they need to do when you can no longer make your own decisions. It's hard enough to watch parents decline, and it's even harder when a parent with dementia cries and complains about how much they hate where they live. Tell your children in advance that they have your blessing to change plans if necessary; this can help alleviate any potential guilt they may experience when care needs escalate

Fund the plan

Once your plan is in place, make sure it's funded. A potentially cost effective way to do that would be to consider long-term care coverage so your plan can be paid for with leveraged dollars rather than dollar for dollar out of your pocket. The more unique the plan is, the more likely a cash indemnity policy could be appropriate to fund the type of care services that fit your needs. Creating a plan now for potential long-term care needs in the future can help lead to a more fulfilling care experience for both you and your family.

Clients

Ask your advisor to help you complete a quick 15-question Health Care/LTC Cost Assessment Fact Finder to obtain your Personalized Health Care/LTC Cost Assessment

Financial Professionals

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NFM-17567AO (07/18)

Efficient Funding of Long-Term Care

Annuity Care II

The client
Age 60+; has $150,000 from a CD, inheritance or other assets already reserved to use in an emergency situation; looking to leverage those assets; may have some health concerns.

The situation
Client is concerned about efficiently funding an extended health care or Long-Term Care (LTC) event. Has already identified assets to use but wants preservation of their capital, a reasonable rate of return and access and control over their money if they need it.

Prefers a solution packaged as one product, a simpler straight forward approach with fewer moving parts, not interested in paying continuous premiums. Wants ability to add a spouse or other insured.

A solution
To address the specific concerns of the client, Annuity Care II, which can give them 2.5 times leverage on their money for LTC expenses, may be a possible solution.

This solution offers the client on $150,000:
- The ability to access proceeds tax-free for extended care or LTC events
- Can make a joint policy (slightly less leverage) covering both insureds at the same amount
- As much as a 24.2% tax-free income stream for LTC expenses
- Client can choose level of coverage based on how much capital they want to use
- A good option due to health limiting other health-based options
- Retain access and control over the assets
- No medical underwriting, just a cognitive phone interview and application

Summary of recommendation

CD or other money $150,000 → OneAmerica Annuity Care II can provide 2.5 times leverage → Approximately $6,250/month available tax-free for LTC for length of contract → If not used for LTC, proceeds pass to beneficiary

Note: Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica® company that offers the Care Solutions product suite. Annuity Care II form number series: SA35. Not available in all states or may vary by state. All numeric examples are hypothetical and were used for explanatory purposes only. **NOT A DEPOSIT • NOT FDIC OR NCUA INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE**

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I-30482 04/22/20

Efficient Funding of Long-Term Care

Non-Indexed Annuity

The client

Age 75 to 85; has $150,000 from a large build up in a Non-Qualified Annuity not subject to surrender charges or money from a CD; views proceeds as lazy or emergency money.

The situation

Client is concerned about efficiently funding an extended health care or Long-Term Care (LTC) event. Has already identified assets to use but wants preservation of their capital, a reasonable rate of return and access and control over their money if they need it. **The agent's current BD doesn't allow sale of Indexed Annuities.**

A solution

To address the specific concerns of the client, a 1035 transfer to Annuity Care, base policy only, may be a possible solution.

This solution offers the client on $150,000:

- The ability to access gains tax-free for extended care or LTC events
- A 34.8% tax-free income stream for 36 months ($4,348 a month) for qualifying LTC expenses
- Can add a spouse or other insured giving both access to the full monthly benefit
- Retain access and control over the assets just like in their current annuity
- No medical underwriting or cognitive phone interview for base policy only
- Ability to add a rider doubling pool of assets or lifetime coverage (requires cognitive phone interview)

Summary of recommendation

Non-Qualified Annuity worth $150,000 (large amount of gain) → 1035 to OneAmerica Non-Qualified Annuity (base policy only) → $4,348/month available tax-free for LTC event for 36 months → If not used for LTC, proceeds pass to beneficiary

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Efficient Funding of Long-Term Care

Non-Qualified Annuity

The client
Age 75 to 85; has $150,000 from a large build up in a Non-Qualified Annuity not subject to surrender charges or money from a CD money; views proceeds as lazy or emergency money.

The situation
Client is concerned about efficiently funding an extended health care or Long-Term Care (LTC) event. Has already identified assets to use but wants preservation of their capital, a reasonable rate of return and access and control over their money if they need it.

A solution
To address the specific concerns of the client, recommend a 1035 transfer to Indexed Annuity Care®, base policy only.

This solution offers the client on $150,000:

- The ability to access gains tax-free for extended care or LTC events
- A 50.5% tax-free income stream for 24 months ($6,313 a month) for qualifying LTC expenses
- Can add a spouse or other insured giving both access to the full monthly benefit
- Guaranteed factors increasing annually to determine benefit amount before triggered
- Retain access and control over the assets just like in their current annuity
- No medical underwriting or cognitive phone interview for base policy only
- Ability to add a rider doubling pool of assets or getting lifetime coverage (requires cognitive phone interview)

Summary of recommendation

Non-Qualified Annuity worth $150,000 (large amount of gain) → 1035 to OneAmerica Indexed Annuity (base policy only) → $6,313/month available tax-free for LTC event for 24 months → If not used for LTC, proceeds pass to beneficiary

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SALES IDEA

Efficient Funding of Long-Term Care

Variable Annuity

The client

Age 60+; has $150,000 from a large build up in a Non-Qualified Variable Annuity; being offered 155% of value between cash value and income account value; views proceeds as growth or emergency money.

The situation

Do you have clients with nonqualified annuities you're unable to move due to a high guaranteed interest rate?

Agent realizes the client no longer needs income from the rider on the policy. Client wants a more effective and efficient way to cover long-term care (LTC) expenses.

A solution

To address the specific concerns of the client, recommend Indexed Annuity Care®, base policy only.

This solution offers the client on $150,000:

- The ability to access gain tax-free for extended care or LTC events
- A 50.5% tax-free income stream for 24 months ($6,313 a month) for qualifying LTC expenses
- Can add a spouse or other insured giving both access to the full monthly benefit
- Guaranteed factors increasing annually to determine benefit amount before triggered
- Retain access and control over the assets just like in current annuity
- No medical underwriting or cognitive phone interview for base policy only
- Ability to add a rider doubling pool of assets or getting lifetime coverage (requires cognitive phone interview)

Summary of recommendation

Variable Non-Qualified Annuity worth $150,000 (large amount of gain) → 1035 to OneAmerica Indexed Annuity (base policy only) → $6,313/month available tax-free for LTC event for 24 months → If not used for LTC, proceeds pass to beneficiary

Note: Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica® company that offers the Care Solutions product suite. Indexed Annuity Care form number series: ICC14 SA36, ICC14 R529 PPA, ICC14 R530 PPA. Not available in all states or may vary by state.All numeric examples are hypothetical and were used for explanatory purposes only. **• NOT A DEPOSIT • NOT FDIC OR NCUA INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE**

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I-30486 04/17/20

Qualified Funds for LTC

Asset Care Annuity Funding Whole Life

You probably know some clients who have IRAs, 401(k)s or 403(b) accounts.

Qualified dollars have their issues

- You can't avoid eventually paying taxes on pre-tax money that grows tax-deferred.
- Required Minimum Distributions (RMDs): Money needs to be taken out beginning at 72, whether your client wants it or not.
- When qualified money passes to heirs at death, it is taxed at the heir's current tax rate.

Our solution

- Reposition qualified money into Asset Care Annuity Funding Whole Life via direct transfer or rollover.
- The income base is credited with up to a 20% bonus.
- Annual distributions fund a 10-pay whole life policy that can be used for qualifying long-term care.
- LTC benefits can be payable for the lifetime of both insureds.
- The death benefit passes to heirs at death generally tax-free.

Even better

- Qualified money is reserved for LTC expenses — no need for your clients to deplete their portfolios at an inopportune time.
- Cover both spouses using one qualified account with no ownership issues.
- Annual distributions over 10 years count toward satisfying RMDs.
- Death benefit can help offset taxes owned on other legacy funds left to heirs.

Contact the OneAmerica sales desk or your back office to learn more about using qualified funds to help your clients pay for long-term care.

Note: If you were age of 70 ½ before or on December 31, 2019 you must begin or continue withdrawing the required minimum distribution annually If you turn 70 ½ on or after January 1, 2020 the age at which you must begin withdrawing required minimum distributions has been increased to age 72.

As of 2019

Over 100 million	$7.5 trillion.[1]
Number of Americans that participate in defined-contribution plans	Total assets in defined-contribution plans

1. *How America Saves 2019, Vanguard, https://institutional.vanguard.com/iam/pdf/HAS2019.pdf*

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I-33476 02/25/20

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Use income instead of assets

Asset Care Recurring Premium

Asset Care Recurring Premium allows your client to begin planning for LTC earlier in life. Recurring premiums spread the funding of their protection across 5 to 20 years, or even their lifetime.

Product highlights

- Guaranteed death benefit, premiums and cash value growth
- 5-pay, 10-pay, 20-pay, or pay-to-95
- Single Premium Drop-in Rider available
- Ability to add inflation protection to base and rider
- Waiver of premium automatically included on base and rider
- Tax deductibility or use of HSA dollars for Acceleration of Benefits (AOB) and Continuation of Benefits (COB)
- LTC benefits are generally tax free from day one for home health care (90 day elimination period for all other facility care)

Hypothetical example:

Robert, 53 and Helen, 51; Married couple, non-smokers, in good health

Robert and Helen own a small business and are still in high earning years. They are concerned about the cost of long-term care because Helen's aunt pays $25/hour for home health care. They chose the pay-to-95 option to reduce their overall premium. Their monthly payment of $506.49 may be paid for partially by their business as a tax deduction, or through their HSA.

Total Initial Premium — $5,822

Face Amount — $166,667

Total Initial LTC Benefit Balance

Face Amount Payable for LTC Balance | **Continuation of Benefits*** — Unlimited

Initial LTC Benefit Limit, Per Individual
$5,000 monthly / $60,000 annually

Initial LTC Benefit Limit, For One or Both Individuals
$10,000 monthly ($5,000 per person)
$120,000 annually ($60,000 per person)

*****Continuation of Benefits begins once the policy Face Amount is exhausted ******If both insured receive long-term care benefits at the same time, the LTC benefit will last for a shorter period of time than if only one insured receives long-term care benefits. Any individuals used in scenarios are fictitious and all numeric examples are hypothetical and were used for explanatory purposes only.

I-33498 11/22/19

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The SECURE Act

An opportunity for inherited qualified funds

On December 20, 2019, Congress passed into law provisions from the Setting Every Community Up for Retirement Enhancement (SECURE) Act. This landmark legislation provides the most significant changes to the retirement industry in more than a decade and makes investing for retirement more accessible to millions of Americans.

How does this impact long-term care planning?

First, the legislation eliminates the concept of "stretch IRAs," which extended the tax-deferred status of an inherited IRA when it passed to a non-spouse beneficiary. The beneficiary could "stretch" the life—and the associated tax advantages—of an IRA over decades. Under the new law, non-spouse beneficiaries are required to take out all funds from their inherited IRA within 10 years of the death of the original account owner.

Second, due to increased life expectancies, Required Minimum Distributions (RMDs) aren't required to be taken until age 72, up from 70½.

Asset Care Qualified Money strategy

Do you have clients expecting to inherit qualified funds who are unsure of how to reposition their required RMDs? Use Asset Care Annuity Funding Whole Life to help turn an inherited, taxable part of an estate into a tax-free income stream to pay for qualified long-term care!

- Encourage a **direct rollover** of the inherited account into Asset Care Annuity Funding Whole Life.
  - — A 20% income base bonus is applied, so each $1 "spends" like $1.20!
- Distributions are taxable, but **automatically spread** over the newly required 10-year period.
  - — There's no 10% penalty if the inherited IRA contract owner is younger than age 59½.
- You can even **add a spouse** to the protection so both can benefit.
- Use the **Lifetime Continuation of Benefits** to reposition the inherited funds and create tax-free distributions for qualifying LTC services… for LIFE!

I-33642 02/04/20

Note: Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Asset Care Form number series: ICC18 L302, ICC18 L302 JT, ICC18 R537, ICC18 R538, ICC18 R532, ICC18 R533, ICC18 SA39 and ICC18 R540. Not available in all states or may vary by state. All factors should be weighed before replacing an existing life insurance or annuity. Life insurance should be purchased by individuals that have a need to provide a death benefit to protect others with insurable interests in their lives against financial loss. Life insurance is not a retirement plan, investment, or savings account. Provided content is for overview and informational purposes only and is not intended as tax, legal, fiduciary, or investment advice.

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‹ From industry experts

Navigating the caregiving experience: resources to help clients

Dr. Sandra Timmermann
01/31/2019

Many adult children of aging parents don't know where to start if they need to make decisions about Mom and Dad's car If their parents haven't planned ahead or do not have a long-term care insurance policy, caregivers find themselves at a loss about where to go to get information (even about their parents' finances) and then to decide on what services are needed. Financial services professionals can play a role by providing information about services available to family caregivers, how to access them and what they might cost.

How caregivers can get started

There is no easy "one-stop-shop" for caregivers to go to. Caregivers, especially those who live at a distance, can spend hours searching for answers to questions such as: "What should I do now, Mom isn't paying bills and can't remember wh called her?", "How do a find a reliable, honest person to help Dad a few hours a week?", "Should I take the car keys away and then how will he get around?", "Where can I find someone to put grab bars in the bathroom and a ramp outside?", "How can I protect Dad from becoming a victim of financial scams and fraud?". None of these questions have simple answers, but there are some good ways to begin to find the answers.

1. Start by contacting the local Area Agency on Aging.

There are over 600 "Triple As" that form a national network, connecting older people and their families throughout the country with local programs and services. Created under a Federal law, the Older Americans Act, they support services such as meals on wheels, transportation, adult day care, and senior centers, all available at no or low cost. They also sponsor an information telephone line for family caregivers and can provide general guidance on home care, assisted living, respite care and other public and private services. To find the Area Agency on Aging in your community, visit their website or call 1-800-677-1116.

2. Explore eldercare benefits offered through your employer.

Many employees of large or medium-sized companies are surprised to find that their employer makes resources availabl to assist working caregivers with eldercare issues. Employees at these companies are likely to have access to an interna website with a wealth of caregiving information, and the option to speak with a designated eldercare coordinator who ca answer questions, provide lists of local resources and help them think through what might be needed. Though not as common, some employers offer more robust services such as in-person consultations or paid leave. Check with the human resources department to see if these benefits are available.

3. Retain a care manager.

It may be a smart move for caregivers to hire a private geriatric care manager--usually a social worker or nurse--to help families with eldercare needs. They generally start with an in-home assessment, then meet with the family and put a car plan in place. Depending on the agreement, families may want them to implement the plan and take on more responsibility. As the onsite experts, coordinators and advocates, they provide services such as monitoring care, solving problems, dealing with health insurance issues, and handling crises as they occur. To locate a care manager, contact the Aging Life Care Association (ALCA). All 2,000+ members must meet strict criteria and sign a code of ethics.

4. Visit websites for caregivers.

There are a number of websites that focus on caregiving and it's worth taking time to look into them. Their subject matte is extensive, and ranges from information on benefits and legal documents to tips for hiring private caregivers to caring f someone with Alzheimer's Disease and suggestions for coping with the ups and downs of being a caregiver. Some have chat rooms that function as virtual support groups so caregivers can share their experiences. Others help you locate independent caregivers, home care agencies or assisted living facilities (although caregivers should note that they may b listed because they are advertisers). AARP has a robust section on its website for caregivers. Another helpful website Is sponsored by the Family Caregiver Alliance. You can google "caregiving" to find other good websites.

5. Understand more about financing care and protecting against financial abuse.

While caregivers begin their journey mainly concerned about parents' health and safety, they soon find out that the financial and legal aspects of caregiving need to be dealt with too. They discover that home care, assisted living and nursing home care is very expensive and they may end up being the ones who will pay for Mom or Dad's care. In the best of all worlds, their parents planned ahead, have all their legal and financial papers in order and purchased long-term car protection. No matter what the situation, a financial professional can play a valuable role by reviewing care options and the cost implications and by providing some strategies to help stretch caregiving dollars. Since elders are often victims c financial abuse, losing their financial nest egg impacts their ability to pay for care. It's a good idea to become familiar wit ways to prevent and report scams and fraud. Google "financial elder abuse" for descriptions of the causes, types of abus and whom to contact if necessary, or go to the National Adult Protective Services Association website

A wake-up call for caregivers

Even under the best circumstances, caregiving can be difficult, emotionally, physically and financially. It would be so much easier, however, if the adult children had had a conversation with their parents about long-term care earlier when emotions were in check and they were healthy and able to make their own decisions about the future. But there is good news about the caregiving experience. It can be a wake up call for caregivers to start a conversation with their own famil Because they understand what it's like to care for an aging parent, they are more apt to think more seriously about what might happen to them and to their own children as they age or become disabled. There's no better time to have a discussion about future care needs and preferences and whether purchasing long-term care insurance protection shoul be considered.

GE-2364960 (01/2019) (Exp. 01/2021)

Source: https://equitable.com/selling-life-insurance/learning/long-term-care/expand-your-long-term-care-vocabulary

Expand your long-term care vocabulary

Keep this quick-reference guide readily available. Use it to expand your understanding of key long-term care (LTC) vocabulary and explain planning options to clients, simply and clearly.

Terms from A-E

Activities of Daily Living (ADLs) – Activities for which an individual may require assistance, such as bathing, continence, dressing, eating, toileting, and transferring (walking). In some LTC insurance policies, needing help with at least two ADLs is a benefit tri er.

Accelerated Death Benefit – An option or right to receive part of the death benefit payable under a life insurance contract prior to death, due to a tri ering event such as terminal illness or an extended nursing home stay.

Acute Care – Active short-term care for an illness or injury or while recovering from surgery. The care typically does not last more than a week or two and is delivered in hospitals or urgent care centers.

Adult Day Care – Care delivered in a center to which an individual is transported during the day, to participate in social services, supervised activities, and a lunchtime meal. Most adult day care centers are not residences and do not have beds for overnight accommodations. Their medical services may be very limited.

Advanced Directive – A legal document that specifies an individual's preferences and wishes for healthcare, if he/she is unable to make decisions due to incapacity or illness. Living wills and health care proxies are two types of advanced directive.

Alzheimer's Disease – The most common form of dementia, indicated initially by symptoms of absent-mindedness and memory loss. The disease is progressive, worsening over time and gradually leading to loss of motivation and inability to perform daily tasks. There are no known cures, and complications resulting from the disease often are listed as a cause of death.

Assisted Living Facility (ALF) – Residential facilities that include prepared meals, nursing services and help with Activities of Daily Living. ALFs offer a higher level of supervision than independent living facilities. ALFs that are state-licensed are called Residential Care Facilities.

Benefit Trigger – Requirements or conditions that must be satisfied to begin receiving benefits from long-term care coverage. Common tri ers include: 1) a doctor's certification of a cognitive impairment; or 2) needing help with at least two Activities of Daily Living.

Caregiver – A generic term describing anyone who provides regular assistance to an individual needing long-term care. Caregivers include spouses and family members as well as nurses and nursing home employees.

Chronic Illness – An illness, injury or disease that can't be cured quickly but rather has lasting effects on health and activities.

Cognitive Impairment – A loss of brain functions and intellectual capability that negatively affects memory, language, personality and the ability to comprehend and communicate. Cognitive impairment is a symptom of dementia.

Co-insurance – Out-of-pocket payments to meet costs of long-term care. Co-insurance amounts are generally not covered by a long-term care daily benefit.

Continuing Care Retirement Community (CCRC) – A facility or community that is capable of providing lifetime care for an elderly person through all stages and care levels including independent living, assisted living and nursing home care. Typically, seniors pay a lump-sum to buy into CCRCs and that way they have assurance that they will not need to move again.

Custodial Care – Non-medical personal care and supervision to help an individual perform one or more activities of daily living. In general, neither private health insurance plans nor Medicare cover most types of custodial care. Long-term care coverage was specifically designed for this level of care.

Daily Benefit – The maximum reimbursement that long-term care coverage will pay for covered services on a daily basis. The higher the daily benefit, the more valuable and costly coverage will be.

Dementia – A generic term covering a variety of brain diseases that cause memory loss, confusion, and lack of motivation. Alzheimer's disease is the most common form of dementia. Many types of dementia are progressive and cumulative, with symptoms getting worse over time.

Elimination Period – A period of time that must elapse after a long-term care benefit trigger, before benefits begin to be paid. It is specified in the coverage and is typically measured in days, from 30 to 90. During the elimination period, long-term care costs must be paid out of pocket. In general, the shorter the period, the more valuable and costly the coverage.

Terms from F–M

Guaranteed Renewable – Long-term care coverage that can't be cancelled unless the policyholder stops paying premiums. The premium may be increased for a given class of policyholders, but not for individuals.

Health Insurance Portability and Accountability Act (HIPAA) – A federal law enacted in 1996. The act established a patient's right to privacy in medical care and records, including long-term care. HIPAA also set requirements for the tax deductions that individuals and business may claim on premium payments for tax-qualified long-term care coverage. The tax-deductible limits increase with taxpayer age, and they are adjusted annually for inflation.

Home Care Aide – A person who provides hands-on care in an individual's home or in a residential community such as independent or assisted living. Aides often help with activities of daily living. In many jurisdictions, they must meet minimum training and licensing requirements.

Hospice Care – End-of-life care designed to provide comfort, counseling, medication and pain relief but not life-prolonging surgery or hospital care. Most hospice care is delivered by qualified agencies in the patient's home, and it is typically paid for by Medicare.

Indemnity Benefit – Long-term care coverage that pays a daily benefit, regardless of the cost incurred. An indemnity is not a reimbursement of costs. Rather, it is a fixed amount paid per period (typically daily). Coverage that pays an indemnity benefit is generally more expensive than coverage that pays a reimbursement.

Independent Living Facility (ILF) – A facility that offers individuals and couples a personal residence, meals, activities and transportation with substantial personal freedom. ILFs are designed for active or semi-active seniors who can care for themselves.

Inflation Protection Benefit – An automatic annual increase in long-term care coverage's daily indemnity benefit, designed to offset inflation. Typically, inflation protection benefits increase the daily indemnity by 2 percent to 4 percent per year.

Living Benefit – A rider attached to a life insurance policy that pays a benefit while the policyholder is alive. Long-term care coverage is one type of living benefit rider.

Living Will (Medical Directive) – A document in which the maker expresses his/her personal wishes for end-of-life care in the event of terminal illness or incapacitation. Living wills usually address circumstances under which life should be extended through artificial means. Each state's laws address the legality of living wills and whether medical professionals should honor them.

Long-Term Care Partnership Program – A state-approved program that allows individuals with long-term care coverage to qualify for Medicaid, after exhausting benefits, without meeting standard asset spend-down requirements. The program creates an incentive to purchase qualifying long-term care coverage. The Deficit Reduction Act of 2005 made all states eligible to offer partnership programs.

Look-Back Period – A minimum period during which Medicaid long-term care eligibility may not begin, after transferring assets. Medicaid eligibility looks back for five years (60 months) after transfers. It pulls the transferred amounts into the formula for calculating Medicaid asset-spend down eligibility. As a result, Medicaid eligibility can be significantly delayed after asset transfers.

Medicaid Spend-Down – Requirements to spend down personal assets before an individual or a spouse may be eligible for Medicaid long-term care coverage. Spend-down rules vary by state, but they generally require an individual or couple to spend down virtually all personal assets (except a home and car) before eligibility can begin.

Medicare – The U.S. government-operated health insurance system for most Americans age 65 or older, and also some younger disabled people. Medicare makes health insurance accessible and affordable for virtually all elderly people in the U.S. It covers hospital bills, doctor bills, prescription drugs and medical procedures and equipment. It does not cover long-term care except in limited circumstances.

Medigap – Supplemental coverage designed to fill the gaps in Medicare Parts A and B including coinsurance, deductibles and excess charges. Medigap is sold in standard coverage packages identified by letters of the alphabet. Premiums are paid by policyholders and can vary widely by state, age and health. Coverage may not be denied during the initial open enrollment period, when most individuals turn age 65, and it is non-cancellable.

Terms from N-R

Nursing Home – A generic term that covers several types of facilities that provide licensed nursing care and services. Nursing homes assist with activities of daily living and medications, and they also offer some medical services. Nursing homes provide a level of care above and beyond services of assisted living facilities.

Power of Attorney - An authorization to act on behalf of a person after that person becomes incapacitated. The person who exercises this power can perform specified tasks such as writing or depositing checks, paying bills and managing assets for the person who grants the power.

Pre-existing Conditions – Medical conditions that have been diagnosed at the time long-term care coverage or health insurance is written. Limits may apply on the insurance company's obligation to pay claims relating to these conditions. Cancer is a common pre-existing condition.

Reimbursement Benefit – A type of long-term care benefit that reimburses long-term care costs incurred, up to a daily limit specified in the coverage. Coverage with a $200 daily reimbursement limit will only pay out this amount if services cost $200 or more. Otherwise, it reimburses the billed cost of services.

Respite Care – Short-term or temporary relief for a family caregiver. Some long-term care policies provide a benefit for respite care delivered by a nursing facility, residential care facility, or adult day care facility.

Terms from S-Z

Skilled Nursing Care – A level of care that provides 'round-the-clock inpatient medical attention by physicians and skilled nurses. Individuals often need this level of care after a severe illness, injury or hospital stay, before transitioning into long-term care.

Terminal Illness – An illness diagnosed by a physician that is considered incurable and likely to result in death, usually within six months. A terminal illness diagnosis can trigger eligibility for Medicare coverage of hospice services. It also may tri er certain living benefits offered in life insurance policies, such as access to cash (advanced from the death benefit) to pay for long-term care.

Waiver of Premium – A feature in some long-term care policies under which premiums will not be owed for a period during which the insured is receiving benefits.

Lincoln Financial Group®
You're In Charge®

Take the next step for your future

Get ready to talk about your long-term care plans

Nearly **97%** of Americans agree that families should be talking about long-term care before it's needed.*

Some of the most important conversations with your loved ones are not the easiest, yet they have meaningful outcomes. Long-term care is a topic many people want to avoid, but a long-term care event doesn't just happen to a person; it affects the family.

Having a long-term care conversation as a family can be a life-changing event. It's something that everyone should be doing as part of their retirement strategy because it can lead to a better future for you and the ones you love.

Know the facts

It's not uncommon to be confused about long-term care. Unlike medical care, long-term care is assistance with everyday tasks, including eating, dressing, bathing, using the toilet, helping with incontinence, and moving to and from a bed or a chair. Long-term care assistance can also include housework, cooking, administering medications, grocery shopping, and managing money.[1]

A number of individuals have misconceptions about long-term care, such as:

1. ***"It won't happen to me."*** People tend to downplay their personal risk, often assuming that others face a greater risk of needing care.

Americans believe the risk is greater for someone else in the family*

33% think they will need care.

40% believe their spouse will.

50% assume their parent will.

The reality is the actual risk is much higher for everyone†

2. ***"Medicare or Medicaid have me covered."*** If qualified, Medicare may only cover a portion of skilled nursing costs up to 100 days. And Medicaid is only available to those with limited assets and income.[2]

*VerstaResearch, "2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2017. For a printed copy of this research, please call 877-ASK-LINCOLN.

†Department of Health & Human Services, "Long-Term Services and Supports for Older Americans: Risks and Financing," *ASPE Issue Brief*, https://aspe.hhs.gov/basic-report/long-term-services-and-supports-older-americans-risks-and-financing-research-brief, revised February 2016.

[1]U.S. Department of Health and Human Services, "What is Long-Term Care?," https://longtermcare.acl.gov/the-basics/what-is-long-term-care.html, October 10, 2017.

[2]Department of Health & Human Services, "Long-Term Services and Supports for Older Americans: Risks and Financing," *ASPE Issue Brief*, https://aspe.hhs.gov/pdfreport/long-term-services-and-supports-older-americans-risks-and-financing-research-brief, February 2016.

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3 ***"That's what my savings are for."*** Many Americans significantly underestimate the costs of long-term care, assuming the average annual cost of a private room is approximately $54,000—roughly half the true cost. Unfortunately, financial professionals project that clients who experience an unplanned care event may spend their savings 2–3 times faster than anticipated.*

4 ***"My family will be able to take care of me."*** The burden of caregiving usually falls on the women in the family. Daughters who care for ill parents are twice as likely as noncaregivers to experience depression or anxiety. And the overall cost to a female caregiver is estimated to be nearly $325,000 due to lost wages and diminished working hours.[1]

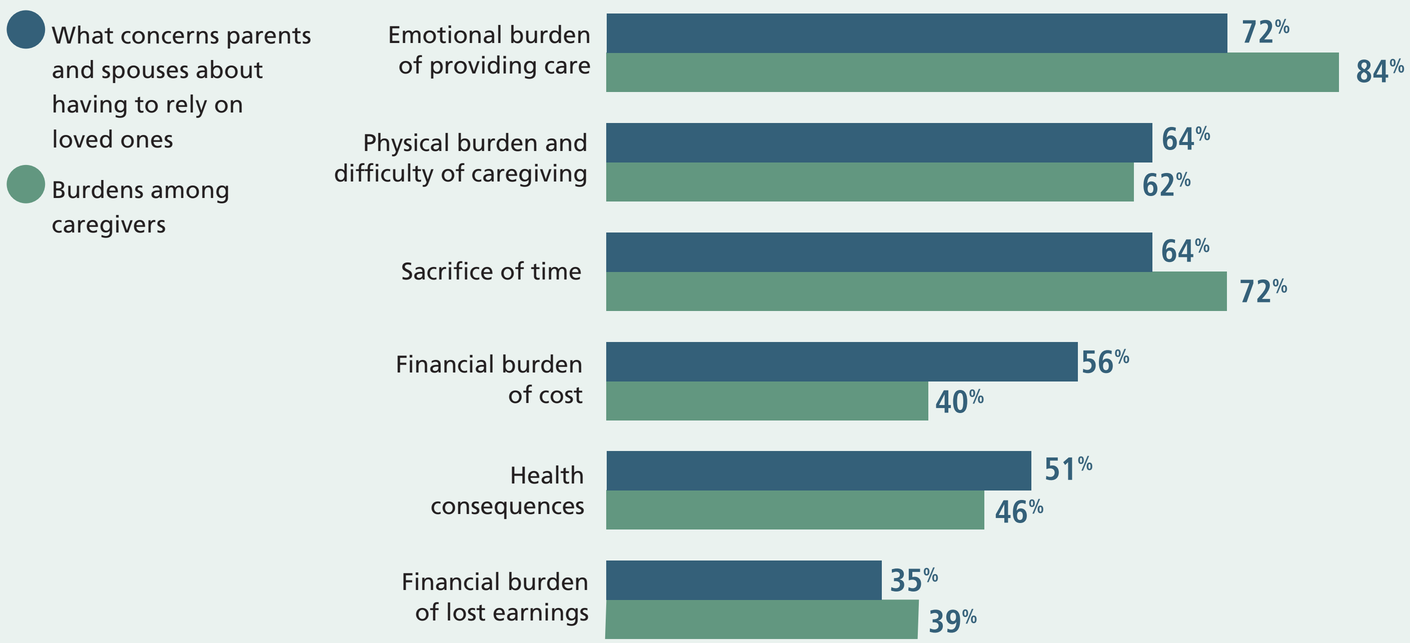
Approximately 95% of advisors believe it's important to consider long-term care as part of their retirement planning.*

Why it's important to talk

People care about their loved ones and want the best for them. Yet many adult children don't know their parents' intentions, and often spouses are not on the same page. When there's no plan in place, relatives may find themselves in the difficult position of having to make health-related and financial decisions for an ailing loved one.

It's no wonder that Americans are concerned about becoming a burden when they think about potentially needing care and family members becoming their caregivers.*

The risks associated with long-term care*



*VerstaResearch, "2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2017. For a printed copy of this research, please call 877-ASK-LINCOLN.

[1] Family Caregiver Alliance, "Women and Caregiving: Facts and Figures," *FCA*, https://caregiver.org/women-and-caregiving-facts-and-figures, February 2015.

When to get started

Get your loved ones engaged in conversations about planning while everyone is still healthy. A good time to begin the process is when you feel confident that you will reach your retirement goals. The next step is to consider what could derail your retirement.

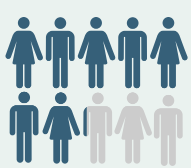
Discuss what's important in your plan

- **Care:** Let your loved ones know your preferences. Learn what the costs of different types of services are when and where you plan to retire.
  Visit the cost of care map at: www.whatcarecosts.com/lincoln. Enter sponsor code: Lincoln.
- **Caregiving:** While caregiving is very noble, long-term care can involve some of the most intimate aspects of daily living, and many feel they're incapable of providing the care a loved one would need.* Share your expectations with your loved ones and encourage them to share their thoughts with you.
- **Health-related decisions:** Designate who has authority to discuss medications and treatment, and inform your physicians. Give your designee the contact information for your doctors.
- **Finances:** Let your loved ones know how you will cover the costs of care. Also establish who will have the authority to manage your finances, such as paying the household bills.
- **Legal matters:** Make sure you and your loved ones have a living will, a current will, a durable power of attorney, and a power of attorney for healthcare.

Many Americans like you are thinking about long-term care*

72% of parents are reluctant about having their children provide long-term care for them.

61% of sons and more than half of daughters hope they don't become their parents' caregivers.



More than **7 in 10** Americans worry they would not be able to provide adequate care if someone in their family needed it.

Schedule a meeting with your advisor

Advisors have extensive experience in planning for long-term care. They can provide a wealth of knowledge and show you a variety of planning options.

*VerstaResearch, "2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2017. For a printed copy of this research, please call 877-ASK-LINCOLN.

Plan for a productive conversation with your advisor

Before your meeting, please respond to the following questions. When you've finished, email this completed form to your advisor.

Name: ______________________________

1) When I think about my overall goal for my assets, do I plan to completely spend them down? Yes ☐ No ☐

Do I want to pass wealth to my loved ones? Yes ☐ No ☐ How much? ______________

2) Do I have a good understanding of what care costs in my area? For example, do I know the difference between skilled nursing home care and the cost of in-home care? Yes ☐ No ☐

3) If I had a need for care, is my preference to stay at home for as long as possible or would I choose to go to a facility if there's a cost savings involved? ______________

4) If I went to a facility, I would want it to have a rating of? 5-star ☐ 4-star ☐ 3-star ☐ No preference ☐

5) Many people believe that Medicare or Medicaid will cover these costs, yet often long-term care becomes private pay for the family day one and dollar one. On the very first day, where is that money coming from? Which asset would I sell first? ______________

6) Would that create any additional tax implications for me and/or my spouse? Yes ☐ No ☐

7) Taking affordability off the table, am I going to feel comfortable with that level of assets being spent to provide care for me? Yes ☐ No ☐

8) Am I concerned about what the stock market might be doing if and when I need care? Yes ☐ No ☐

9) Do I have financial powers of attorney to help someone have access to pay for my care? Yes ☐ No ☐

10) If I had a need for care, would it be valuable for me to have some level of advocacy and coordination services set up to have myself or my loved ones pick a care facility? Yes ☐ No ☐

11) Would I want a family member acting as a caregiver for me in any capacity? Yes ☐ No ☐

12) If I should ever need care, what is my family prepared to do physically and financially?

____

Are they willing to sacrifice time to provide assistance? Yes ☐ No ☐

Are they even aware and feel comfortable that this is your plan? Yes ☐ No ☐

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Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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You're In Charge®

Feel confident about your future

Having a plan to protect what's important in your retirement can give you the assurance of knowing you're ready for the years ahead.

The purpose of this communication is the solicitation of insurance. A licensed insurance agent/producer will contact you.

This is not intended to provide legal or tax advice; consult a legal and/or a tax professional regarding your specific situation.

Linked benefit products are life insurance policies with long-term care riders. The insurance policies and riders have exclusions, limitations and/or reductions. They are issued by The Lincoln National Life Insurance Company.

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Planning for Every Possibility

Alternatives to traditional long-term care protection

OneAmerica®

OneAmerica® is the marketing name for the companies of OneAmerica

I-29533 (CA)

A worry-free retirement

Enjoy yourself knowing you're protected

In retirement, your assets generate your income. And to have the kind of retirement you've always wanted — spending time with your family, traveling and more — you have to ensure that your retirement income is protected.

To enjoy retirement without having to make any drastic lifestyle changes, without having to rely on help from your friends or family, and without having to accept substandard levels of care as you age, your retirement income strategy has to account for three important factors:

- How long you will live
- How your investments will perform over time
- How much you will spend each year in retirement

Wade Pfau, Ph.D., CFA, and Michael Finke, Ph.D., CFP®, of The American College of Financial Services have shown how these risks can be effectively managed. In recent studies, Dr. Pfau and Dr. Finke illustrated how an integrated approach to your retirement income strategy can optimize retirement income, and how long-term care benefits can protect you from extreme health care expenses in your later years.

70%

of all individuals ages 65 and older will require some type of long-term care services[1]

76/81

Average lifespan in the U.S. today for males/females[2]

91/92

Life expectancy of an 85-year-old male/female[3]

1. "How Much Care Will You Need?" LongTermCare.gov. https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html. Web. 21 February 2017. **2.** "Mortality in the United States, 2015." NCHS Data Brief No. 267. December 2016. **3.** "85 Year Old Life Expectancy." HealthGrove.com. http://life-span.healthgrove.com/l/86/85. Web.

Protect yourself and your family from the unknown costs of health care

The unknown cost of health care is among the most significant risks to any retirement plan. Unlike most spending in retirement, health care spending increases with age on average and is far more volatile. And 70% of people turning 65 today will eventually need some form of long-term care in their lifetimes.[4]

With traditional health-based long-term care insurance, you pay insurance premiums to help protect yourself in the event that you require long-term care. As history shows[5], the premiums will likely increase over time, and if you never need it, this form of long-term care insurance offers no benefit.

A different generation of protection, such as life insurance or annuities combined with long-term care, creates a hybrid or asset-based product consideration. This approach protects against long-term care expenditures while also providing a guaranteed death benefit, which guards against the possibility of lost premiums.

Long-term care includes a range of services and support for people coping with physical and cognitive decline or who need assistance with daily living, from in-home care to nursing facility and hospice care.

4. "How Much Care Will You Need?" LongTermCare.gov. https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html. Web. 21 February 2017. **5.** Pfau, Wade D., PhD, CFA, and Michael Finke, Ph.D., CFP. "Managing long-term care spending risks in retirement." Based on median distribution of Monte Carlo simulations to reflect typical outcomes. All financial assets earmarked for long-term care are invested as 100% treasury bills. Paid endorsement. 16 May 2017.

Funding long-term care at 65

A 65 year-old couple is starting their retirement and considering their options for long-term care protection. They decide to focus on a severe event because it will have the largest effect on their retirement income.

Their choices include:

- Self-funding from investments
- Traditional health-based long-term care insurance
- Asset-based long-term care benefits combined with whole life insurance

Severe long-term care event averages[6]

Last 15 years of life	
14	**Home Aide** • $45,760 annually • 4-year duration • $183,040 total
13	
12	
11	
Last 10 years of life	
9	
8	**Residential Care Facility** • $43,200 annually • 8-year duration • $345,600 total
7	
6	
Last 5 years of life	
4	
3	
2	**Nursing Facility Care** • $80,300 annually • 3-year duration • $240,900 total
1	

6. Pfau, Wade D., PhD, CFA, and Michael Finke, Ph.D., CFP. "Managing long-term care spending risks in retirement." Based on median distribution of Monte Carlo simulations to reflect typical outcomes. All financial assets earmarked for long-term care are invested as 100% treasury bills. Paid endorsement. 16 May 2017.

Potential long-term care event outcomes

With no protection they will:
- Have the highest risk for out-of-pocket costs associated with a mild or severe LTC event
- Receive no death benefit

Self-funding LTC from investments
Severe LTC expenses
$765,979
Out-of-pocket cost
$765,979
Potential death benefit
$0

With health-based protection they will:
- Have premiums that may increase over time
- Need to purchase two policies to ensure they are both covered
- Receive no death benefit

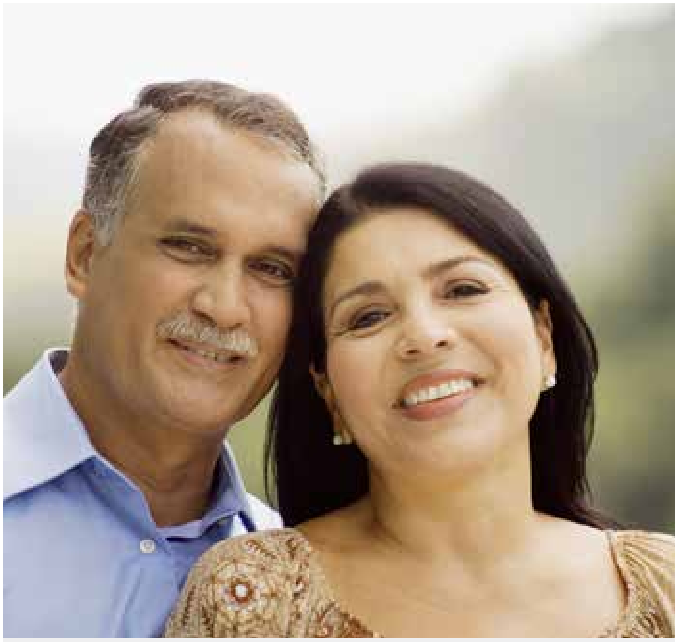
Health-based LTC insurance
Severe LTC expenses
$765,979
Out-of-pocket cost (includes premiums)
$256,765
Potential death benefit
$0

With asset-based protection they will:
- Face the lowest risk for out-of-pocket costs associated with a mild or severe LTC event
- Have premiums guaranteed never to increase
- Have the option to cover both spouses with one policy
- Receive a death benefit

  Note: Potential death benefit reduced if long-term care benefits are received.

Asset-based LTC insurance
Severe LTC expenses
$765,979
Out-of-pocket cost (includes premiums)
$237,566
Potential death benefit
$125,000

Individuals in this scenario are fictitious and numeric examples are hypothetical. Examples are used for explanatory purposes only.



Funding long-term care at 50

A 50-year-old couple is beginning to think about retirement. They are exploring ways to optimize their retirement income.

They are considering how long-term care will affect their retirement. They decide to focus on a severe event because it will have the largest effect on their retirement income.

Their choices include:

- Self-funding from investments
- Traditional health-based long-term care insurance
- Asset-based long-term care benefits combined with whole life insurance

Severe long-term care event averages[7]

Years	Care
Last 15 years of life	**Home Aide** • $45,760 annually • 4-year duration • $183,040 total
14	
13	
12	
11	**Residential Care Facility** • $43,200 annually • 8-year duration • $345,600 total
Last 10 years of life	
9	
8	
7	
6	
Last 5 years of life	
4	
3	**Nursing Facility Care** • $80,300 annually • 3-year duration • $240,900 total
2	
1	

7. Pfau, Wade D., PhD, CFA, and Michael Finke, Ph.D., CFP. "Managing long-term care spending risks in retirement." Based on median distribution of Monte Carlo simulations to reflect typical outcomes. All financial assets earmarked for long-term care are invested as 100% treasury bills. Paid endorsement. 16 May 2017.

Potential long-term care event outcomes

With no protection they will:
- Have the highest risk for out-of-pocket costs associated with a mild or severe LTC event
- Receive no death benefit

Self-funding LTC from investments
Severe LTC expenses
$724,139
Out-of-pocket cost
$724,139
Potential death benefit
$0

With health-based protection they will:
- Have premiums that may increase over time
- Need to purchase two policies to ensure they are both covered
- Receive no death benefit

Health-based LTC insurance
Severe LTC expenses
$724,139
Out-of-pocket cost (includes premiums)
$250,697
Potential death benefit
$0

With asset-based protection they will:
- Face the lowest risk for out-of-pocket costs associated with a mild or severe LTC event
- Have premiums guaranteed never to increase
- Have the option to cover both spouses with one policy
- Receive a death benefit

  Note: Potential death benefit reduced if long-term care benefits are received.

Asset-based LTC insurance
Severe LTC expenses
$724,139
Out-of-pocket cost (includes premiums)
$205,143
Potential death benefit
$125,000

Individuals in this scenario are fictitious and numeric examples are hypothetical. Examples are used for explanatory purposes only.

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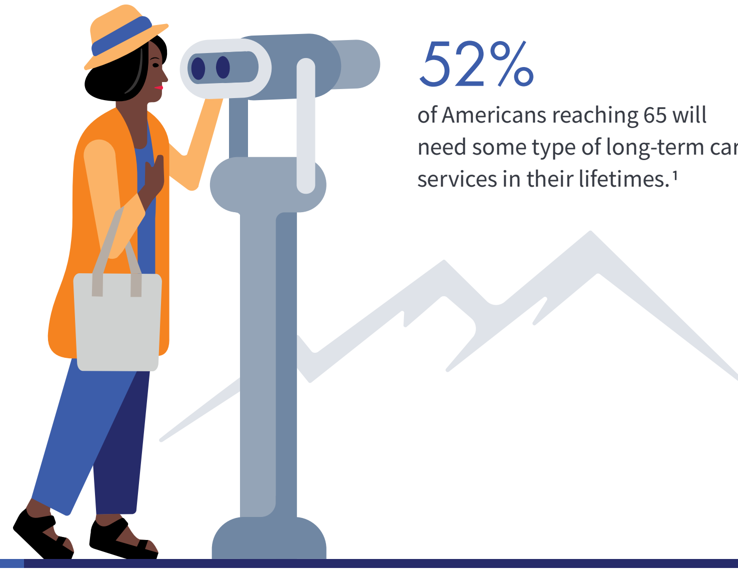
Long-term illness happens unexpectedly

And the financial strain can be over-whelming. Do you have a plan to pay for long-term care so you can look forward to your future?



52%
of Americans reaching 65 will need some type of long-term care services in their lifetimes.[1]

Who might need long-term care, and for how long?

3 years

Average length of long-term care is about three years.[1]

Women typically need care 3.7 years.[1]

Men typically need care 2.2 years.[1]

Long-term care affects those you love.

About 71%
of all long-term care hours are provided in the home by family.[4]

60% of family caregivers
for adults must juggle their caregiving responsibilities with either full- or part-time jobs.[5]

20% of working caregivers
have reported that they reduced their work hours, took a less demanding job or gave up work entirely.[6]

Can you afford long-term care?

100 days

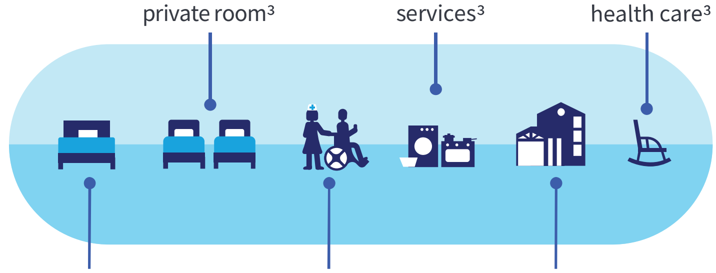
Beyond 100 days, Medicare pays $0
for long-term care services.[2]

Annual costs

$90,155
for a semi-private room[3]

$51,480
for homemaker services[3]

$19,500
for adult day health care[3]



$102,200
for a private room[3]

$52,624
for home health aide[3]

$48,612
for an assisted living facility[3]

Financial flexibility for your future

Keep your options open if diagnosed with a qualifying condition. Unlock a portion of your life insurance benefits while you're facing long-term expenses like nursing homes, home health aides, assisted living, and more.

Living benefits

Living benefit riders offer financial protection you need in the event of a qualifying condition. This income tax–advantaged benefit lets you access funds from your life insurance policy while you are living.

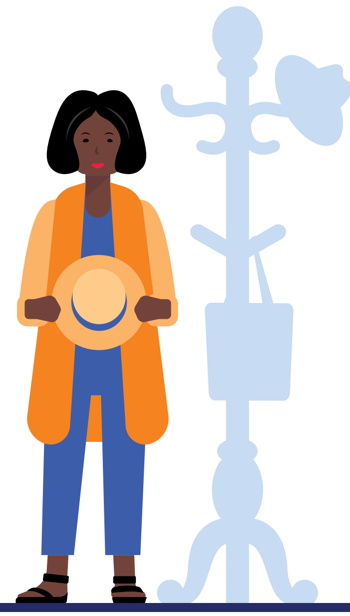
AIG

Who is it for?

Those who know they need life insurance to protect themselves and their families. Whether you have experienced a recent health care event or are in good health, you know it's best to have your options open in the event your health deteriorates later.

How does it work?

Unlike a long-term care policy, life insurance living benefits are not a "use it or lose it" feature. Your benefits are paid no matter what, and it's up to the policy holder to decide how the funds are used.



With living benefit riders on your life insurance policy, you can access income tax–advantaged life insurance benefits if diagnosed with a qualifying condition.

For information on how life insurance can help with future health care expenses, contact your financial professional.

Name

Title

(555) 555-5555

Email

[1] Morning Star. 75 Must-Know Statistics About Long-Term Care: 2018 Edition. August 2018.
[2] Elder Law Answers. Medicare's Limited Nursing Home Coverage. December 2019.
[3] Genworth. Cost of Care Survey 2019. Conducted by CareScout®. November 2019.
[4] Genworth Cost of Care Survey 2019. US National Median Long-Term Care Support Services Costs. October 2019.
[5] AARP Public Policy Institute. Long-Term Services and Supports. August 2019.
[6] National Care Planning Council. Government Pays for Only about 16% of Long-Term Care. April 2019.

IMPORTANT CONSUMER DISCLOSURES REGARDING ACCELERATED BENEFIT RIDERS
An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services, or respite care for the primary caretaker, and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days, or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

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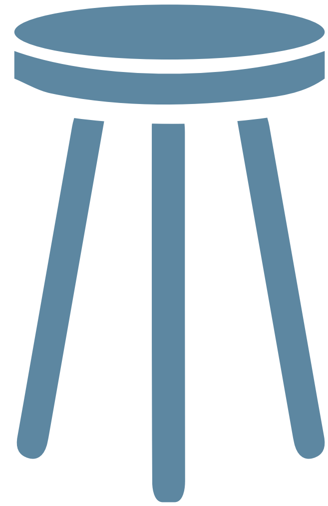
A well-balanced retirement strategy



The three most important aspects to consider in retirement must be equally strong, support each other and work together to achieve balance.

Lifetime income

How can I position my retirement nest egg so that funds last as long as I live?

A strategy involving a lifetime income stream is important when designing a balanced approach.

Long-term care

Who will take care of me if I can no longer care for myself? How do I pay for long-term care, and limit the impact on the other legs of the stool?

Planning that factors in the unexpected can give you a more firm financial foundation.

Wealth transfer

Who will inherit my money when I die? How concerned should I be about the taxes my loved ones will face should they inherit my money?

Considering the tax consequences of inheritance simplifies the process for your beneficiaries.

Preparing for a solid retirement requires a strong, three-legged strategy. Talk today to your financial or insurance professional about preparing for the future.

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