

How do I know which method to use when planning for a possible long-term care need?

When planning for a possible long-term care need, you want to choose the right funding method. It will most likely be years before you use it. Below, we explain today's main alternatives: traditional, stand-alone long-term care insurance policies versus policies that provide life insurance as well as long-term care insurance.

If you have health issues, or want to use qualified funds, such as an IRA, call us. We might have a solution for you. Regardless of which you prefer, if you complete a questionnaire we can help guide you.

You should favor a stand-alone long-term care insurance policy if you:

1. Want the highest long-term care benefits per premium dollar. Life insurance or annuity benefits add cost.
2. Want more choices regarding policy options, including ways to protect against future long-term care inflation and shared options.
3. An employer can pay the premium, in which case there are excellent Federal income tax advantages.
4. Don't have heirs for whom you'd like to leave assets.
5. Can't afford to fund a combo product.
6. Don't want to tie up assets at current interest rates.
7. Would like to qualify for a State Partnership program.
8. Don't want family members to quarrel about using the policy. There's no reason not to use it.
9. Live in a state which has a particularly good income tax break (especially NY or MO) for stand-alone LTCi.
10. Could use an immediate annuity to pay premiums (securing a tax break).

You should favor a combo policy if you:

1. Are concerned about "use-it-or-lose-it." Heirs get a death benefit if you never need long-term care.
2. Strongly prefer fully-guaranteed policies.
3. Want to make a single payment and be done.
4. Have "lazy" assets (e.g. CDs) that are not earning much money for you.
5. Have a life insurance or annuity contract that you might exchange for such a product.
6. Need both life insurance and LTCi, but cannot afford to purchase both types of product.
7. Think you might want to stop paying premiums and would like some cash back.
8. Want a faster decision from the insurer.
9. Want a policy that will continue to pay LTCi benefits no matter how long you need care.
10. Want to be able to pay family members for care and not to have to submit bills.

For more information, contact

