

## Long Term Care

### SUMMARY:

Long term care includes an array of services that are performed by others when personal activities of daily living are limited by an illness or condition that lasts a relatively long period of time. An extended illness or condition can deplete the assets that have been saved and counted on for retirement.

### OPTIONS FOR LONG TERM CARE:

#### ► Self-Insure -

- ▷ For an individual with substantial retirement income and assets, self-insurance may be an option. The majority of individuals are not in a position to self-insure.

#### ► Long Term Care Insurance (LTCI) -

- ▷ LTCI is designed to help cover the costs of long-term care to protect assets and assure more choices about the types and quality of care. LTCI may be an option for individuals who have assets to protect and can afford the lifetime premium payments. For others the ongoing payments may be prohibitive.

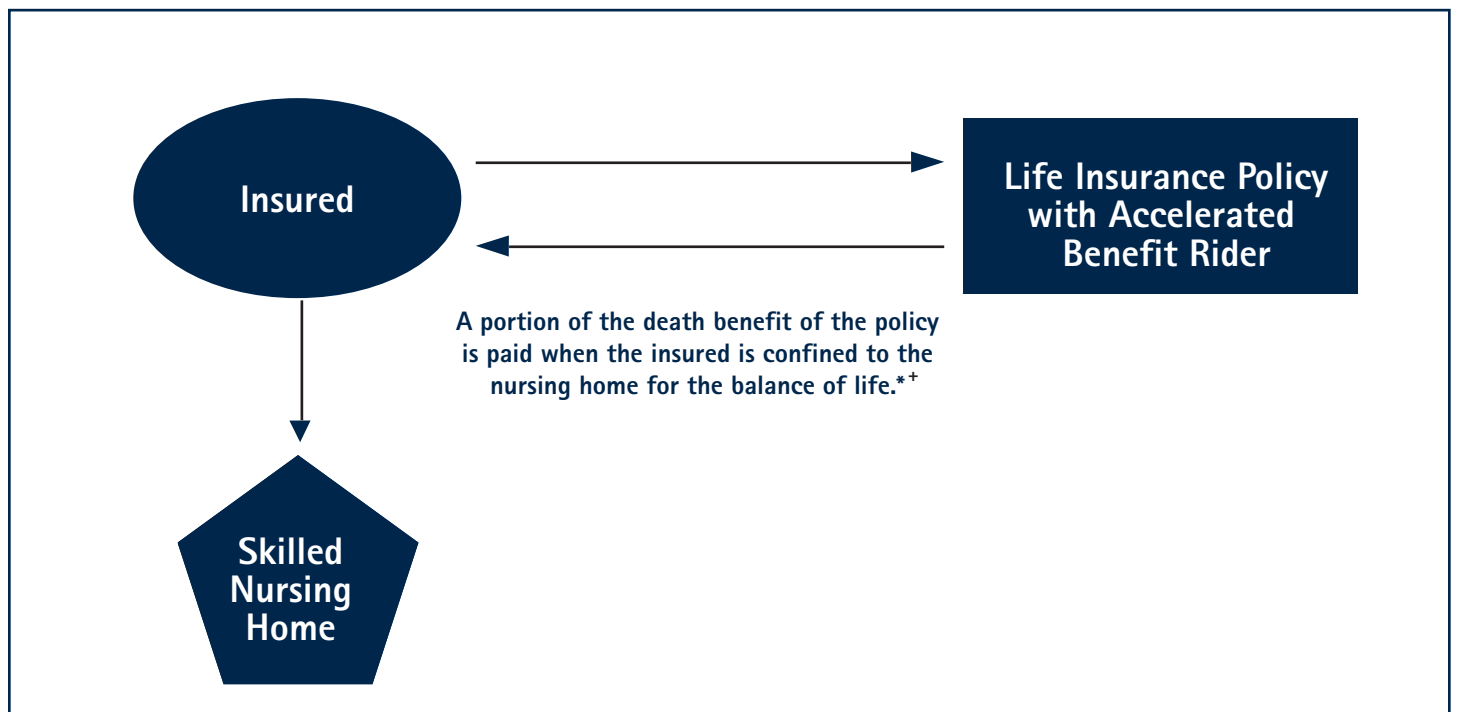
#### ► Life Insurance Policy with Accelerated Benefit Rider -

- ▷ Another option to provide some financial assistance is to have a life insurance policy with an **Accelerated Benefit Rider** that will pay a portion of the death benefit if insured is confined to a nursing home.\*

#### ► Medicare/Medicaid -

- ▷ Medicare will only pay for the first 20 days of skilled nursing care after a minimum three-day stay in the hospital. Medicaid will eventually pay for nursing care, but to qualify the patient must spend down assets.

### HOW AN ACCELERATED BENEFIT RIDER WORKS:



*Note: Specific tax and legal questions should be referred to your tax adviser or legal counsel.*

## CONSIDERATIONS

In general, long term care Insurance is a good way to protect retirement savings against chronic-care costs. There is not a specific rule dictating who should buy LTCI. Since each person's situation is different, whether a LTCI policy makes sense depends on several factors:

- ▶ Net worth
- ▶ Current health
- ▶ Family history; does longevity or chronic disease run in the family
- ▶ Family relationships
- ▶ How much the individual is willing or able to spend on healthcare

When LTCI is not an option because of individual preference or if premiums are prohibitive, a life insurance policy that includes an Accelerated Benefit Rider may be considered. Although, the Accelerated Benefit does not replace the benefits provided by a LTCI policy, it can provide financial assistance in the event the insured is permanently confined to an eligible nursing home.\*

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\*Accelerated Benefit Rider Qualifying Events\* (1) Terminal illness - insured's life expectancy is six months (12 months for JPF Ensemble products<sup>1</sup>) - 50 percent of base policy up to \$250,000 (2) Critical Illness - including heart attack, stroke, life-threatening cancer, end-stage renal failure, major organ transplant, permanent paralysis and Alzheimer's disease - 5 percent of base policy up to \$25,000 and (3) Permanent Nursing Home Confinement - the insured is confined to an eligible nursing home for balance of life - 40 percent of base policy up to \$250,000.

<sup>1</sup>Some states have not approved all or portions of the Accelerated Benefit Rider. Please check state approval. Critical illness benefit is available on policies issued Standard through Table D. The total maximum benefit is \$250,000 for all qualifying events. For more detailed information, please refer to the Accelerated Benefits client brochure (3-04187).

<sup>1</sup>JPF Ensemble are variable universal life insurance products. This material must be accompanied by a current prospectus if it is used to solicit a securities product. Please read the prospectus carefully before investing or sending money.

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Life insurance policies may involve exclusions or limitations.



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Jefferson Pilot Financial Insurance Company • One Granite Place, Concord, NH 03301  
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