AMW GROUP

EDUCATIONAL GUIDE · LONG-TERM CARE

Long-Term Care Insurance
Is It Right for You?

How long-term care insurance works, what sets it apart, and the client profile it serves best, so you can decide with confidence.

AT A GLANCE

Long-Term Care in Plain Terms

Long-term care insurance pays toward the cost of help with everyday activities, such as bathing or dressing, or supervision for memory loss, when age, illness or injury means you can't manage on your own. It's usually bought in your 50s or early 60s, while you're healthy enough to qualify, by people with savings to protect.

Someone turning 65 has almost a 70% chance of needing some type of long-term care, according to the U.S. Department of Health and Human Services. Health insurance and Medicare generally don't pay for ongoing help with daily living, so these costs usually come from your savings. A long-term care policy pays toward that care, after a waiting period, up to the limits you choose.

PROTECT

Benefits that pay toward care at home, in assisted living or in a nursing home.

POSITION

Your savings stay available for your spouse, your retirement and your legacy.

GROW

Your family can choose how to support you, instead of becoming full-time caregivers.

HOW IT WORKS

Key Characteristics

Benefits, triggers, waiting periods, premiums and rate increases vary by carrier, product and state.

FEATURE	HOW IT WORKS	WHY IT MATTERS TO YOU
Benefits	A daily or monthly maximum, paid from a total pool often described in years of care.	Sets how much care is covered, and for how long.
Waiting period	Days of care you pay for before benefits start, such as 90 days.	A longer wait lowers the premium.
Benefit triggers	Needing help with two of six daily activities, such as bathing or dressing, or a severe cognitive impairment.	Clear, standard rules for when the policy pays.
Where care is covered	Home care, adult day care, assisted living and nursing homes, depending on the policy.	Most people prefer care at home.
Inflation protection	Raises your benefits over time, either automatically or through offers to buy more.	Care costs tend to rise; a fixed benefit buys less later.

FEATURE	HOW IT WORKS	WHY IT MATTERS TO YOU
Premiums	Not guaranteed. Insurers can raise rates for a whole group of policyholders, with state approval.	Plan for possible increases.
Shared care	Couples can share benefits or draw on a partner's pool.	More flexibility for spouses.
Tax treatment	Benefits are generally not taxed, within IRS limits. Premiums may be deductible, especially for business owners, or paid with HSA funds.	Can make coverage more affordable.
Partnership policies	In states with a Partnership program, a qualifying policy can protect assets equal to the benefits paid if you later need Medicaid.	Adds asset protection beyond the policy itself.
If you never need care	A traditional policy pays nothing back unless you add a return-of-premium option.	Hybrid life/LTC policies pay something either way.

HYPOTHETICAL EXAMPLE

How a Benefit Pool Works

Your benefits form a pool. After the waiting period, the policy pays toward your care each month until the pool is used up. With most policies, which reimburse your actual care costs up to your monthly limit, lower-cost care, such as help at home, draws the pool down more slowly, so the same pool lasts longer.



For illustration only; not a projection. Values are not to scale. Assumes a policy that reimburses actual care costs. How long a pool lasts depends on your benefit limits and the cost of your care.

REAL-WORLD USES

Where Long-Term Care Shines

Staying at home longer

Benefits can pay for help at home, so you can receive care where you're most comfortable.

Protecting a spouse's future

Care costs for one partner won't drain the savings the other partner still needs.

Protecting what you've built

Coverage helps keep retirement savings and other assets intact for your family or legacy.

Easing the load on family

Paid care lets loved ones support you by choice, without becoming full-time caregivers.

IDEAL CLIENT PROFILE

Who Long-Term Care Fits Best

The strongest candidates match most of these traits, not just one.

TRAIT	IDEAL PROFILE	WHY IT MATTERS
Age	Often in your 50s to early 60s.	Premiums are lower, and you're more likely to qualify.
Health	Good health today.	Coverage is health-based, and qualifying gets harder with age.
Assets	Moderate to substantial savings you want to protect.	Very limited assets may lead to Medicaid; very large assets may cover care directly.
Income	Room in your retirement budget for premiums, including possible increases.	Dropping coverage later can mean losing it when you need it.
Family	A spouse or children you don't want to burden.	Coverage lets family choose their role in your care.
Priorities	You want choices about where and how you receive care.	Private coverage offers more options than Medicaid.
Planning style	You prefer to plan ahead.	Coverage must be in place before your health changes.

CONSIDER ALTERNATIVES

When Long-Term Care Isn't the Fit

- Your savings are limited, Medicaid would likely cover your care, and premiums would strain your budget.
- You have enough wealth to pay for years of care without hurting your spouse or your plans.
- Your health already makes qualifying unlikely or very costly.
- Premiums, including possible increases, would be hard to keep paying in retirement.
- You'd rather not pay for coverage you may never use; a hybrid life/LTC policy may fit better.
- You're younger with other priorities first, such as building savings or protecting your income.

KNOW BEFORE YOU COMMIT

Risks We Help You Manage

Long-term care coverage protects against a costly risk, but it has trade-offs of its own. Here is how we help you stay ahead of each one.

THE RISK	HOW WE HELP
Premium increases. Insurers can raise rates for a whole group, with state approval.	We review each insurer's rate history and your options to adjust benefits instead of dropping coverage.
Inflation. Care costs tend to rise, and a fixed benefit buys less over time.	We help you choose inflation protection that fits your age and budget.
Paying for care you never use. A traditional policy pays nothing if you never need care.	We compare traditional and hybrid life/LTC options side by side.
Waiting too long. Health changes can make coverage costly or unavailable.	We help you plan while you're likely to qualify.
Coverage gaps. Benefits may not cover the full cost of care, and some settings may not qualify.	We size benefits to likely care costs where you live and review covered settings.
Letting a policy lapse. Missed payments can end coverage after years of premiums.	We review options such as reduced benefits before you let a policy go.
Relying on Medicare. Medicare covers only limited skilled care, not ongoing help with daily living.	We explain what Medicare and Medicaid do and don't cover.

WEIGH THE ALTERNATIVES

Compare Your Options

	SELF-FUNDING	MEDICAID	LIFE INSURANCE WITH LTC BENEFITS	LONG-TERM CARE INSURANCE
Who pays for care	Your savings and assets	The government program, after you spend down to strict limits	The policy, from a combined life and care benefit	The policy, up to your benefit limits
To qualify	No conditions	Strict income and asset limits	Based on health	Based on health
Premiums	None, but care costs come from savings	None	Often fixed; paid at once or over a set period	Ongoing; can rise for a whole group
Choice of care	Full choice	Providers that accept Medicaid; home care varies by state	Wide choice, per the policy	Wide choice, per the policy
If you never need care	Your savings stay yours	Nothing paid in	A death benefit goes to your heirs	Premiums aren't returned unless you add that option
Best for	Those with ample wealth	Those with limited income and assets	Those who want coverage that pays something either way	Those who want the most care coverage for their premium

COME PREPARED

Before You Buy

Questions to ask

1. How much would my policy pay each month, and how long would my benefit pool last?
2. What triggers my benefits, and does my waiting period count every day or only care days?
3. Does my policy cover care at home and in assisted living?
4. What inflation protection is included, and what does it cost?
5. How has this insurer handled rate increases, and what are my options?
6. Is my policy Partnership-qualified in my state?

HOW WE HELP

Let's Connect— We're Here to Help!

We help you weigh traditional coverage, hybrid life/LTC policies and self-funding, and we explain what Medicare and Medicaid cover so you see the full picture.

Needs assessment

We review your health, assets, income, family and care preferences to see whether coverage fits.

Product recommendation

We compare traditional and hybrid options and design benefits for your priorities.

Policy management

We review your coverage over time, including any rate increases and your options.

SUITABILITY CHECKLIST

- ☐ Power of attorney and care wishes set
- ☐ Savings and assets worth protecting
- ☐ Premium affordable in retirement
- ☐ Inflation protection chosen
- ☐ Home care coverage confirmed
- ☐ Hybrid options compared
- ☐ Medicare and Medicaid limits understood
- ☐ Reviewed with your tax or legal advisor

YOUR NEXT STEP

Schedule your long-term care needs assessment with AMW Group.

513.394.7430
info@amwgroup.net
www.amwgroup.net

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PROTECT. POSITION. GROW.

This guide is general educational information, not individual financial, tax, legal or Medicaid planning advice; for Medicaid questions, consult an elder law attorney. Benefits, triggers, waiting periods, premiums and rate increases vary by carrier, product and state. Policy guarantees depend on the claims-paying ability of the issuing insurer. Review any specific policy with a licensed professional before you buy.

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