

Protecting clients from unplanned events

A guide to long-term care funding

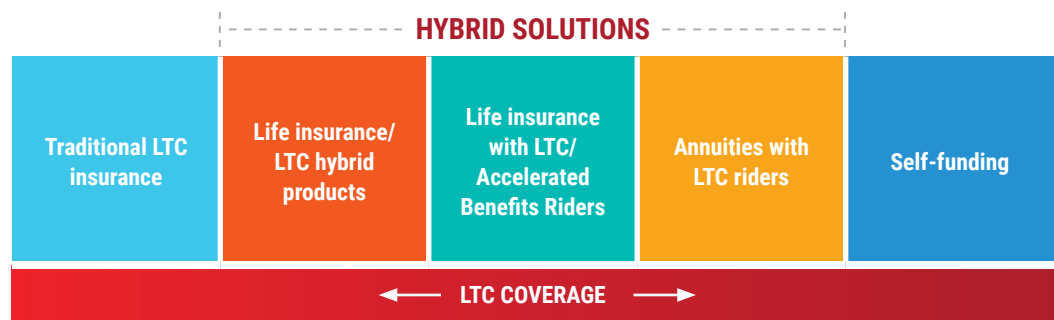
Long-term care (LTC) planning requires more than having enough money to pay for care services. It's about building a comprehensive strategy to better prepare your clients and their loved ones for the tough emotional and financial decisions that may need to be made on their behalf.

Planning for long-term care has become an increasingly important topic, as the effects of a life-changing event may impact the entire family. Although clients may not want to envision themselves needing care, they do want to help ensure their families are prepared and their finances protected if a long-term care event should occur.

Three key questions to kick off the conversation

- 1 Who will provide care should you need it?
- 2 Where would you want to receive care?
- 3 How will you pay for it?

Leverage our LTC solutions spectrum to illustrate to your clients the range of options and develop customized LTC plans.



Understanding your clients' care preferences helps determine the right solution.

Insurance products issued by:
The Lincoln National Life Insurance Company
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Aligning client objectives with customized long-term care solutions

As the options for long-term care funding solutions continue to get more complex, from annuities to life insurance to hybrid products, Lincoln can help you navigate which choice is right for your clients' unique needs.

Things to consider

- Primary and secondary goals
- Age and inflation options
- Deductible period
- Funding preference
- Underwriting process
- Liquidity needs
- Tax consequences
- Guarantees

HYBRID SOLUTIONS

Solution	Primary goal	Secondary goal	Funding options	Features and considerations
Traditional LTC insurance	Long-term care	None	Lifetime premiums	<ol style="list-style-type: none"> 1. Qualified long-term care expenses are covered* 2. Full underwriting required 3. Premiums not guaranteed 4. May be the least expensive option, but only beneficial if you need care
Life insurance/LTC hybrid products	Long-term care with guaranteed benefits	Protection	Single premium and flexible premiums available	<ol style="list-style-type: none"> 1. Qualified long-term care expenses are covered* 2. Provides flexibility to re-purpose benefits to offer legacy protection or return of premium if care isn't needed; accelerating benefit will reduce death benefit and return of premium 3. Offers inflation-protection options and extension of long-term care benefits, which generally produce the largest LTC benefit. 4. Underwriting process may be streamlined
Life insurance with LTC/ Accelerated Benefits Riders	Protection	Long-term care/chronic illness protection	Single premium and flexible premiums up to a lifetime available	<ol style="list-style-type: none"> 1. Provides legacy protection 2. Allows accelerated benefits to cover qualified long-term care costs or chronic illness expenses 3. Electing to take benefits will reduce the death benefit 4. May be indemnity or reimbursement style
Annuities with LTC riders	Tax-deferred growth and protection	Long-term care/chronic illness protection	Single premium	<ol style="list-style-type: none"> 1. Allows accelerated access to your account value to cover long-term care expenses* 2. Electing to take long-term care benefits reduces the account value and death benefit 3. May be indemnity or reimbursement style 4. If long-term care benefits aren't needed, access to annuity payment options may be available
Self-funding	Access to funding source	None	Liquidate from portfolio	<ol style="list-style-type: none"> 1. Allows maximum ability to use funds for any purpose 2. Client's assets are subject to market risk 3. Liquidating funds from certain investments may cause tax consequences 4. Paying down assets may impact the amount of legacy available to pass to family

*Qualified covered care services are identified in the policy.

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LCN-2875424-121719

POD 3/20 Z01

Order code: MGR-SPEC-FLI001



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Hybrid policies are universal life policies with optional long-term care benefit riders. Products, riders and features are subject to state availability. Limitations and exclusions may apply.

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