**Long Term Care Funding Options**

**Self Insure**

 **Overview:** Set aside assets to cover the potential costs for long term care needs.

**Pros: \*** Keep control of your money.

\* If LTC expenses are not incurred, premium dollars are saved.

**Cons:** \* Financial costs for LTC care could be quite substantial.

 \* May limit your ability to invest in longer term or illiquid assets.

**Traditional Long Term Care Policy**

**Overview:** The LTC policy covers cost of long term care expenses once the insured becomes eligible for benefits.

**Pros:** \* Provides the greatest amount of long term care benefits in relationship to premium outlay.

**Cons:** \* Policy provides benefits only for LTC expenses with no residual value.

\* Premiums are not guaranteed and could increase based on the insurance companies’ claims

 experience.

**Hybrid Single Premium Life Insurance Policy**

**Overview:** Single premium adjustable life insurance policy with LTC benefit pool.

**Pros:** \* Rates are guaranteed.

\* Guaranteed to receive money back through surrendering the policy, beneficiaries receiving the death

 benefit or long term care benefits.

\* Creates a long term care pool considerably greater than premium outlay.

**Cons:** \* Requires substantial up front premium outlay.

**Life Insurance Policy with Long Term Care Rider**

**Overview**: Adding a LTC rider to a permanent life insurance policy allows one to access a portion of the

policy death benefit during the insured’s lifetime once one satisfies the requirements for long term care benefits.

**Pros:** \* Some rider premiums are guaranteed not to increase.

 \* Rider premiums are considerably less than traditional long term care policy premiums.

**Cons**: \* The life insurance death benefit reduces dollar for dollar when benefits are utilized for long term care expenses.

 \* Can only be added to new permanent life insurance policies.