HENDERSON ASSET MANAGEMENT, LLC
REGISTERED INVESTMENT ADVISOR

Secure Your Future and Protect Your Legacy: The Power of Asset-Based Long-Term Care

When it comes to planning for the future, most people focus on investments, retirement income, and leaving a legacy for loved ones. But there's one critical piece of the puzzle that often gets overlooked—**long-term care**.

The reality is that nearly 70% of people over age 65 will need some form of long-term care during their lifetime. Whether it's in-home assistance, assisted living, or nursing care, the costs can be staggering—often exceeding $85,000 per year. Without a plan, these expenses can quickly erode your savings, disrupt your retirement lifestyle, and place a heavy emotional and financial burden on your family.

That's where **asset-based long-term care** comes in—a smart, flexible solution that protects both your health and your wealth.

What Is Asset-Based Long-Term Care?

Asset-based LTC is a unique approach that combines the benefits of life insurance and/or an annuity with long-term care coverage. Instead of paying ongoing premiums that you might never use, you reposition a portion of your existing assets into a policy that:

- Provides tax-advantaged funds for long-term care expenses.
- Offers a death benefit to your beneficiaries if you never need care.
- Allows you to access your money if your plans or needs change.

In other words, it's a "use it one way or another" strategy—your money is never wasted

Why Clients Love Asset-Based LTC

You Stay in Control of Your Money
Traditional LTC insurance can feel like a gamble—you pay premiums for years,

and if you never need care, you get nothing back. With asset-based LTC, your funds remain an asset. If you don't use the long-term care benefit, your loved ones receive a tax-free death benefit.

Protection Against Rising Care Costs
Long-term care costs are rising faster than inflation. Asset-based LTC policies often include built-in inflation protection, ensuring your benefits keep pace with future expenses.

Flexibility and Peace of Mind
If your circumstances change, many policies allow you to surrender the policy and recover your initial investment (sometimes with interest). This flexibility makes it easier to commit without fear of "locking up" your money forever.

Tax Advantages
Under current tax laws, long-term care benefits are generally received tax-free, and in some cases, withdrawals from certain accounts can be structured to minimize tax impact.

Who Can Benefit Most?

While asset-based LTC can work for many people, it's especially appealing if you:

- Have savings, CDs, or other low-yield assets you want to put to better use.
- Are concerned about protecting your retirement income and legacy.
- You want to avoid burdening your spouse or children with care decisions and costs.
- Prefer a solution that offers value whether or not you need care.

A Real-Life Example

Imagine a couple in their early 60s with $200,000 in a savings account earning minimal interest. They reposition $100,000 into an asset-based LTC policy.

- If either spouse needs care, they have access to over $400,000 in tax-free benefits for qualified expenses.
- If neither needs care, their children receive a tax-free death benefit.
- If they change their mind, they can surrender the policy and recover their investment.

This strategy transforms idle cash into a powerful financial safety net.

Why Now Is the Time to Act

The best time to secure long-term care coverage is **before** you need it—when you're healthy and can qualify for the best rates. Waiting too long can mean higher costs or even being declined due to health issues.

Additionally, interest rates, insurance costs, and policy features can change over time. Acting now locks in today's benefits and gives you the peace of mind that your future is protected.

Taking the Next Step

Planning for long-term care isn't just about protecting your money, it's about protecting your independence, your dignity, and your family's well-being. Asset-based LTC offers a way to do all three without the "use it or lose it" risk of traditional insurance.

If you'd like to explore how this strategy could fit into your retirement plan, the process is simple:

1. **Review Your Current Assets** – Identify funds that could be repositioned without affecting your lifestyle.
2. **Discuss Your Goals** – Determine how much you would be able to transfer into an asset-based policy.

Are you ready to secure your financial legacy? Contact us today for a comprehensive, personalized assessment of your long-term care needs.

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Disclaimer: Some asset-based long-term care policies require medical underwriting, and benefits are subject to the terms, conditions, and limitations of the insurance contract. This article was created in collaboration between the author and Microsoft Co-Pilot.

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