

WELCOME

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AGENDA

LONG TERM CARE BASICS

- What is it?
- Opportunities for small businesses.
- Funding options and recent trends.

LIFE INSURANCE UPDATE

- Impact of interest rates on policy longevity.



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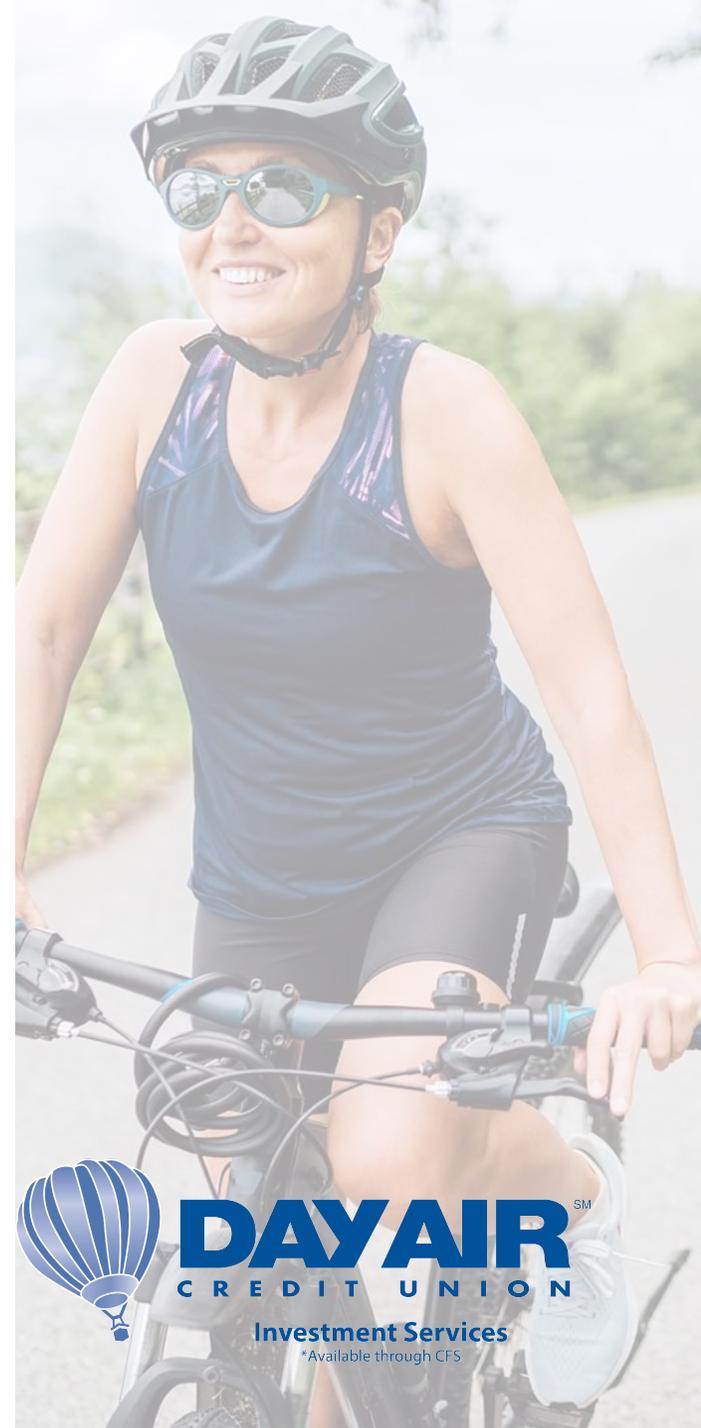
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LONG TERM CARE INSURANCE

RISK MANAGEMENT

- Some risks are simple and easy to quantify-homeowners, auto, renters.
- The cost of a long-term care event has the ability to impact our estate plan more than any other event we insure against.
- We are “rolling the dice” on how our bodies will ultimately behave.
- We need a plan.



MANAGE YOUR RISKS

IT'S AN EXPENSIVE WORLD!

YOU CAN:

- Do nothing and hope for the best.
- Reduce risk.
- Transfer risk (to insurance).



LONG TERM CARE

Increased longevity is making long-term care (LTC) a necessity for a growing number of Americans, consider these facts:

- Among people turning 65 today, 70% will require some variation of long-term care.¹
- 87% of Americans who need Long-Term Care receive it from informal, unpaid, caregivers.²
- 78% of people say they would find it helpful to talk to a financial professional about long term care planning but only 16% have had such a conversation.³
- The yearly average cost of care for a Semi-Private Nursing Home is \$81,030⁴ and is anticipated to be \$181,000 by 2030.⁵

¹ 2014 Medicare & You, National Medicare Handbook, Centers for Medicare & Medicaid Services, September 2013.

² National Alliance for Caregiving, American Association of Retired Persons (AARP). Caregiving in the U.S., 2009.

³ Genworth 2011 Financial Reality Check Study

⁴ Market Survey of Long-Term Care Costs, Market Mature Institute, November 2012

⁵ Assumes costs increase each year by 4.05%, the average annualized increase of U.S. nursing home costs from 1994 to 2010

COST OF CARE



Monthly Cost

Dayton, OH | 2023

Home Health Care

Homemaker Services	n/a
Homemaker Health Aide	\$6,292

Based on annual rate divided by 12 months (assumes 44 hours per week).

Adult Day Health Care

Adult Day Health Care	n/a
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Based on annual rate divided by 12 months.

Assisted Living Facility

Private, One Bedroom	\$6,750
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As reported, monthly rate, private, one bedroom.

Nursing Home Care

Semi-Private Room	\$9,125
Private Room	\$10,646

Based on annual rate divided by 12 months.

The information shown above is based on a specific scenario generated by the Genworth 2023 Cost of Care. Future years are calculated by assuming an annual 3% growth rate. For more information and location comparison, visit genworth.com/costofcare.

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WHAT IS LONG TERM CARE?

Long Term Care provides assistance with the six activities of daily living.

- Eating
- Bathing
- Dressing
- Toileting
- Transferring
- Continence



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LONG TERM CARE

More than a nursing home.

- **Adult Day Care Services.**
- **Residential Care Communities.**
- **Specialized Care and Memory Care.**
- **Home Care.**



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WHAT DOES MEDICARE PAY?

- Medicare skilled nursing facility benefit does not cover most nursing home care.
- Most nursing home care is “custodial care”* and Medicare does not pay for custodial care.
- Medicare pays limited benefits for care at home.
- Medicare does not pay for care in an assisted living facility.

**Custodial care includes the activities of daily living such as dressing, bathing, and toileting.*

LONG TERM CARE

Funding options and trends.

- Traditional “pay as you go” policy.
- Life insurance policy with Long Term Care Rider.
- Hybrid and Lump Sum Payment options.



LONG TERM CARE

For Small Business Owners

- Premium is deductible for the business (treated as payment for health plan).
- Participation can be selective (not subject to nondiscrimination rules).
- Spouses and other eligible tax dependents may be included.
- Premium paid by business is not included in employee's taxable income.
- Benefits paid to insured are tax – free.
- Significant value to both owners and employees.

LONG TERM CARE

- Smart wealth management always transfers the high risk elsewhere.
- Cost of care is not imposed on the retirement nest egg.
- “Neat and orderly” is always appreciated by family members (reduce the burden).
- Retain and attract key employees for small business owners.

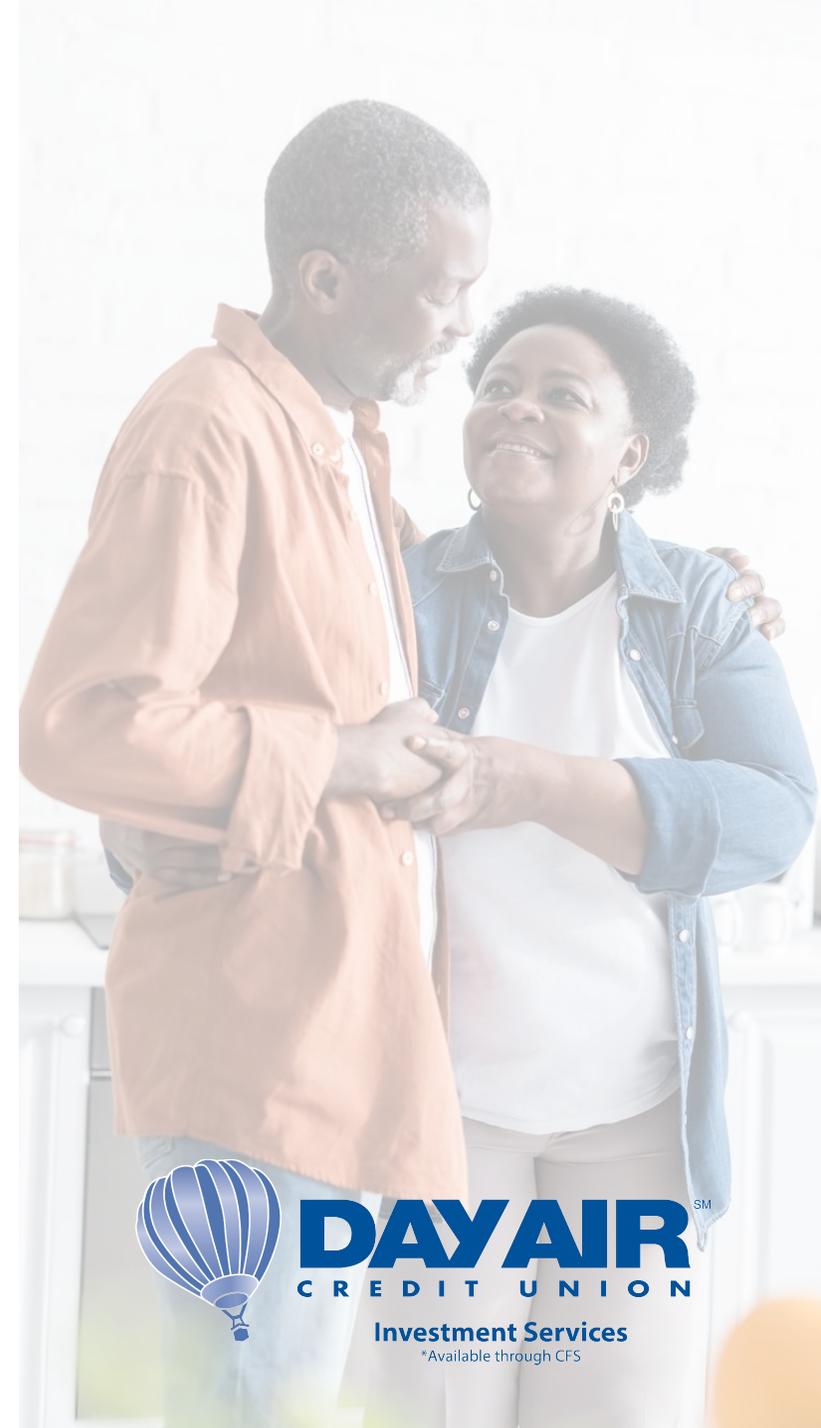
UNIVERSAL LIFE INSURANCE

ADVANTAGES

- Death benefit protection.
- Minimum interest rate guarantees.
- Loan and Withdrawal Capabilities.
- Participate in potential upside of market growth.

CONCERNS

- Fluctuating interest crediting rates and market performance can negatively affect policy longevity.



UNIVERSAL LIFE INSURANCE

AND INTEREST RATE RISK

- Interest crediting rates change over time.
- Projection of policy values at time of policy inception can be significantly different today.
- Loans and withdrawals reduce policy longevity.
- Internal charges and costs of insurance increase with age.
- Risk of higher premiums and / or reduction in death benefit to keep policy in force .

DO YOU KNOW?

- What type of life insurance protection you have?
- How much life insurance you have?
- Insurance has changed significantly over the last several years...when's the last time you had it reviewed?
- What are the names of your beneficiaries on your life insurance policy?



HOW CAN DAY AIR HELP YOU?

- **Facilitate** the Long Term Care discussion most families are reluctant to have.
- Explore **options** for Long Term Care expense planning (business and personal).
- Review life insurance policy statements and projections.
- Evaluate alternatives to ensure your life insurance policy remains in force to **meet your goals**.



THANK YOU

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