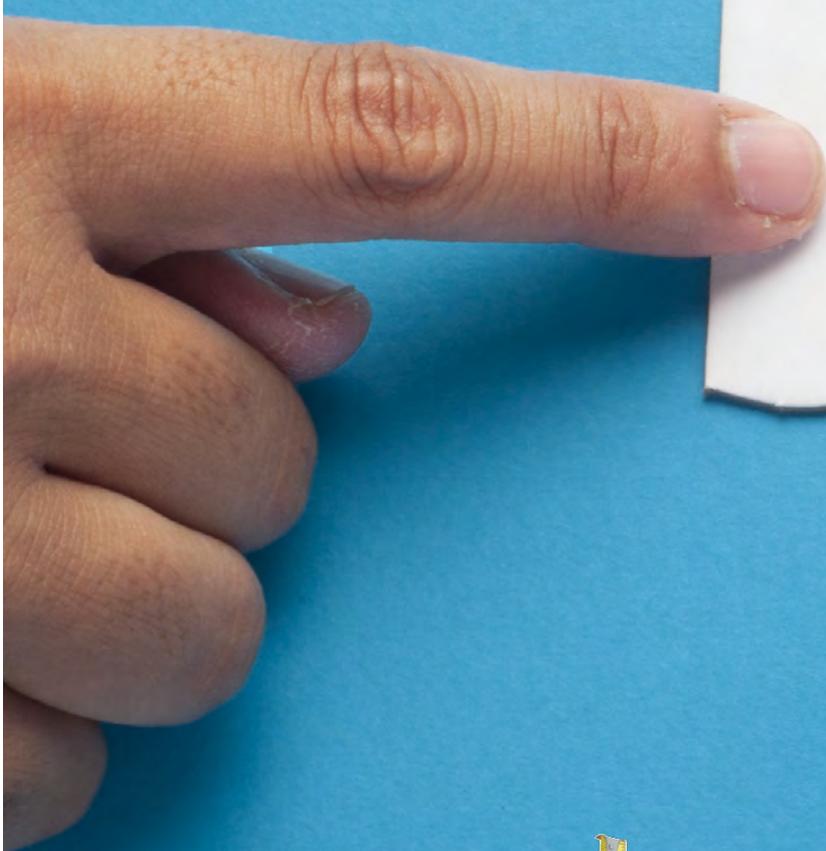


Sarasota Financial Group, Inc.

LTC TOOLBOX

Guide to Hybrid-Linked
Life/Long-Term Care Solutions



INTRODUCTION TO LONG TERM CARE

In recent years, the long-term care insurance (LTCI) marketplace has evolved beyond traditional LTC insurance coverage to include combination plans that link life insurance and LTC insurance together. These products are called many different things (linked benefit, asset-based LTC, combo products, etc.), but we're referring to them as Hybrid-Linked Life/LTC insurance products.

These products are built on life insurance chassis and include a rider that pays long-term care benefits on the policyholder. Over the past several years, the industry has seen double-digit sales growth with these types of products. In addition to the growth in sales that the industry is experiencing, we're also seeing new market entrants and carriers developing these types of products.

It's important that potential buyers and clients thoroughly understand, how each of these policies and riders work, including advantages and disadvantages of each policy and rider. Clear and concise explanations will allow clients to make an informed choice for a solution they feel will help meet their needs and expectations.

WHY ARE CLIENTS SO INTERESTED IN THESE SOLUTIONS?

- Guaranteed premiums
- No "use of loss" component to the coverage
- Return of premium option
- The coverage shows as an asset on the client's balance sheet
- Flexible premium payment modes (1 pay, 5 pay, 10 pay, Pay to 65, 20 pay and continuous or lifetime payment options)
- Preferential tax treatment (1035 exchanges)



**Long Term Care
4 Veterans**
Our Team Serves You,
Because You Served U.S.

WHAT IS A LONG-TERM CARE RIDER?

A qualified long-term care rider (7702B) (LTC Rider) is a rider attached to a permanent life insurance policy that accelerates death benefits to help pay for the costs of long-term care services for chronically ill insureds. To qualify as an LTC rider, the services requested must be provided pursuant to a plan of care prescribed by a licensed health care practitioner.

An individual is considered chronically ill if he/she is unable to perform at least two of six activities of daily living (ADLs) without substantial help from another person for at least 90 days due to a loss of functional capacity. An individual may also be considered to be chronically ill if he/she needs substantial supervision to protect his or her health and safety because of a severe cognitive impairment.

We've created this guide to allow you to investigate all the possible options and help determine the best planning solution for you.

70% say

most people need

long-term care insurance.

But here is the disconnect:

only **57% say** they **personally**

need it, and only **15% say**

they **own it.**

Source: 2018 Insurance Barometer Study, Life Happens and LIMRA

ARE YOU PREPARED FOR LONG TERM CARE EXPENSES?

The Statistics are not in our favor

Many of us will need long term-care (LTC) during our lifetimes, yet many of us have not prepared for that need. If you take a minute to consider the financial and emotional impact of receiving LTC for our family and loved ones, it can be overwhelming. The good news is that the solutions contained in this guide discuss the products that can help you be prepared for what the future holds.

Prepare to live a long life

- In 20 years, there will be twice as many people over age 65. The average worker is going to end up taking time off work, working part-time or becoming a full-time caregiver for family members.¹
- Our population is aging. In 2011, 80 million Baby Boomers have started to turn 65 years old, and we also have the largest shortage of paid caregivers in our nation's history.²
- 70,000 of the people alive now are over 100 years old. That number is expected to grow eight times by 2050.³

Why it's important to prepare

- 70 percent of Americans turning age 65 will need some form of LTC in their lifetime.⁴
- The number of people with Alzheimer's is expected to grow by 50 percent in the next 20 years.⁵
- Two-thirds of the caregivers are women. And women make up 47 percent of the U.S. workforce.⁶
- Skilled nursing care is expensive — at home or a facility. An average cost of 10 hours of this type of care at a nursing facility is \$81,000 per year.⁷
- 67 percent of claims from 2007-2009 were for home care; 20 percent assisted living; only 13 percent were for nursing home care.⁸

3%

You're not alone!

Only 3 percent of Americans over age 18 have long-term care insurance.⁹

70%

Couples over 65 years old.

Will need some form of LTC in their lifetime.⁴

1. Bureau of Labor Statistics, Table 1: Civilian labor force by age, sex, race and Hispanic origin, 1998, 2008, 2010 and projected 2020.

2. Aging Today, July-August 2012, pg, 15

3. Mature Services, Inc., www.matureservices.org

4. U.S. Department of Health and Human Services, www.longtermcare.gov, Jan. 2014

5. Aging Today, July-August 2012, pg, 15

6. Shelton, Phyllis, *The ABCs of Long-Term Care Insurance*, LTCi Publishing, 2012

7. MetLife Market Study of Long-Term Care Costs, Nov. 2012

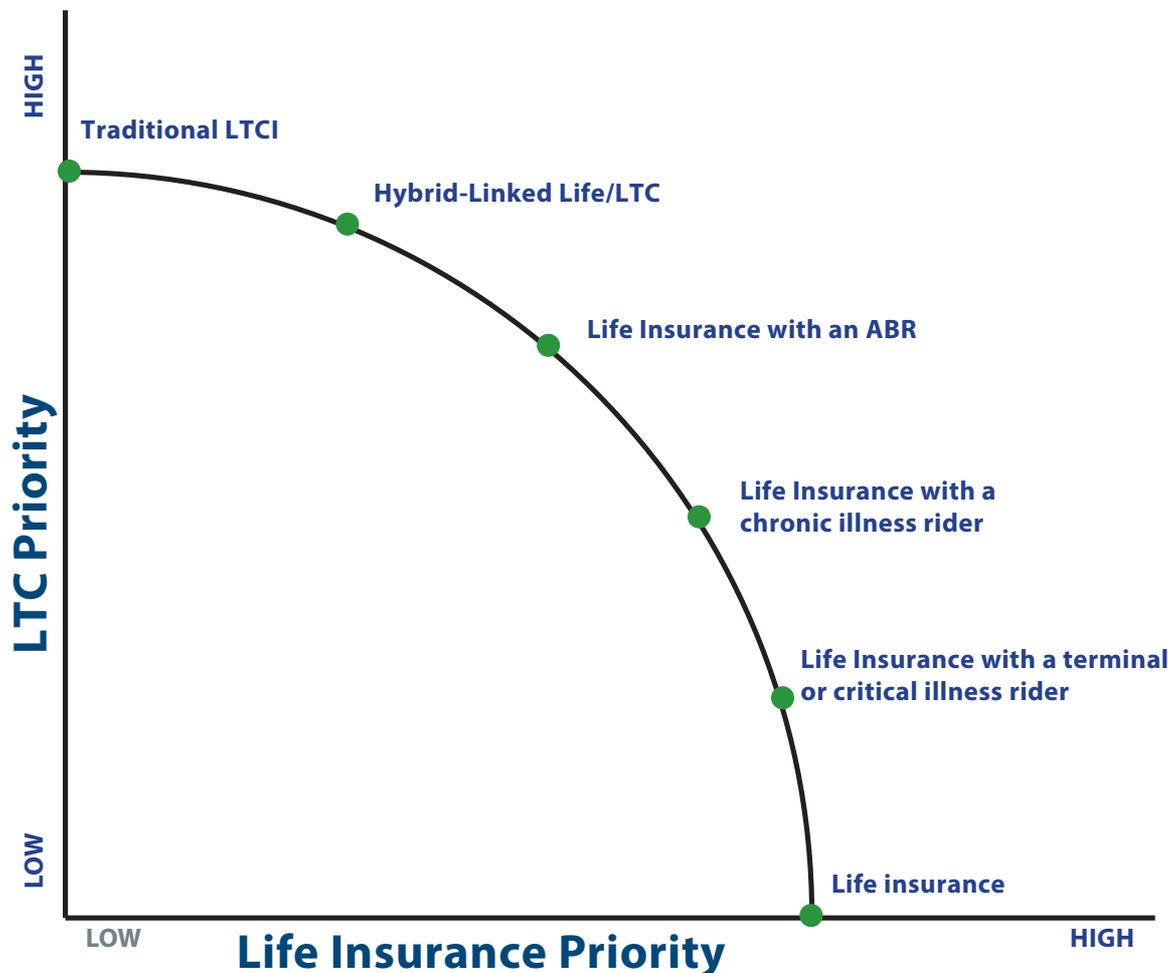
8. Morgan, Chris. *Genworth LTCi Claims Experience Data*, Dec. 2009 update, 2010.

9. The 3 percent is based on about 8 million long-term care insurance policies in force (2011 National Associate of Insurance Commissioners Long-Term Care Experience Reporting, Form 1, plus 2012 sales vs 230 million people in the U.S. Census Bureau)

COST OF CARE CALCULATOR



LONG-TERM CARE INSURANCE PLANNING SOLUTIONS



COVERAGE HIGHLIGHTS

- Traditional LTC Insurance – The ideal prospect wants the lowest cost and most efficient way to cover LTC expenses.
- Hybrid-Linked Life/LTC Insurance – Prospect wants to solve a LTC problem, but wants Life Insurance, return of premium and guaranteed premium.
- Life Insurance with QLTC riders – These are primarily Life Insurance buyers, who find the LTC component appealing (“nice-to-have” policy addition).
- Life Insurance with Chronic Illness or Accelerated Death Benefit (ADB) Rider – Buyers are looking to provide a death benefit to their beneficiaries, but like the sense of security of having benefit for a chronic illness, cognitive impairments or permanent disability.

WHAT'S THE BEST FIT

Each day, we're asked by our clients, "what's the best insurance solution"? We're certainly not trying to be evasive in our response, but it's usually, "it depends".

The optimal insurance solution varies from client to client, but what often times dictates our recommendations is based on what the client is trying to accomplish. Is it Life Insurance planning or LTC Insurance planning? The funding source or premium tolerance also tends to lead us to a specific solution.

Below you'll find a quick guide or pro's & con's of each type of planning solution.



LONG-TERM CARE INSURANCE

Protect your assets from an extended health care event

PROS:

- Inflation protection
- Care coordination concierge healthcare benefit
- Maximizes long-term care insurance leverage while minimizing premium commitment
- Tax-deductible for business owners
- HSAs

CONS:

- Premiums not guaranteed
- "Use it or lose it" premium (no cash value or return of premium)



HYBRID-LINKED LIFE / LTC

Protect your assets & retirement savings from an extended health care event while retaining maximum flexibility

PROS:

- Standardized benefit trigger
- 1035 exchanges
- Tax advantages
- Maximizes flexibility and provides a substantial benefit for a long-term care insurance event
- Flexible payment options
- Return of premium
- Guaranteed premiums
- Life insurance and LTC benefit

CONS:

- Opportunity cost (if single premium option is selected)
- Not the same tax advantages for business owners



LIFE INSURANCE

Maximize your death benefit while retaining moderate flexibility

PROS:

- Largest death benefit
- Relatively low premium cost for rider
- Better suited to pay for benefits on a monthly basis, if needed

CONS:

- If LTC is needed, reduction of death benefit
- No return of premium
- Benefit triggers not standardized
- Benefits determined at claim time
- No inflation protection



FIXED OR INDEXED ANNUITIES

Long-term care options late in life potential with health concerns

PROS:

- Limited or no medical underwriting
- 1035 exchange tax advantage could turn tax-deferred growth to tax-free LTC payments

CONS:

- Limited or no inflation protection
- Typically no care coordination
- No tax advantages for business owners



SELF INSURED

Access to money now

PROS:

- Zero up-front costs while retaining liquidity

CONS:

- Not a healthcare plan
- No care coordination benefit
- Tax timing consequences



HYBRID-LINKED LIFE/LTC



Asset Based LTC Solutions Have Their Advantages ...we can help you choose the right one for you.

	Global Atlantic Forecare	Lincoln MoneyGuard III	Nationwide Care Matters II	OneAmerica Asset Care	Pacific Life PremierCare	Securian SecureCare
AM Best	A	A+	A+	A+	A+	A+
Policy Type	Fixed Annuity	Universal Life	Fixed Premium Universal Life	Whole Life and Annuity Products	Whole Life	Universal Life
Guaranteed ROP	9-Yr Surrender Charge Schedule	70% Day 1 or 100% Vested	1. 10 year, vested 2. Step-Up 3. Minimum ROP/ Maximum LTC	Asset Care Single Premium with ROP: excludes cost of inflation rider	100% Day 1 or Vested	Vested, 100% After 5 Years
Rate Classes	Standard (2x) Premier (3x)	Standard Couples Discount	Standard Standard Smoker Couples Discount	Preferred Standard Smoker Tables 5-8	Standard Nonsmoker Standard Smoker Couples Discount	Non-Tobacco: Single and Couples Tobacco: Single and Couples
Ownership	Individual Joint	Individual	Individual	Individual Joint Second to Die	Individual	Individual
Funding Options	Non-Qualified	Non-Qualified	Non-Qualified	Non-Qualified Qualified	Non-Qualified	Non-Qualified
Payments	Single Pay	Single Pay 2-10 Pays (Greater of 10-pay or through age 70)	Single Pay 5 Pay 10 Pay Pay-to-65: 30-54 Pay-to-100: 30-65	Single Pay 10-20 Pays Life Pay	Single Pay: 30-75 5-Pay: 30-75 10-Pay: 30-70 15-Pay: 30-65 20-Pay: 30-60	Single Pay: 40-75 5-Pay: 40-75 7-Pay: 40-73 10-Pay: 40-70 15-Pay: 40-65
Issue Ages	50 - 80	30 - 70*	30 - 69	35 - 80 <small>Single premium only for ages 70-80</small>	30 - 70	40 - 75
Elimination Periods	0 Day: Home Care 90 Day: Facility Care	0 Day: Home Care and Facility Care	90 Calendar Days Retroactive Payment	0 days home care 90 days facility	Reimbursement: 0 home, 90 facility indemnity: 90 days	90 Calendar Days
Inflation Riders	5% Compound	3% Compound 5% Compound	3% Simple 3% Compound 5% Compound US Medical Inflation	3% Compound 5% Compound	3% Simple 5% Simple 5% Compound	3% Simple or Compound 5% Simple or Compound
Minimums	\$35,000	\$50,000 Death Benefit (NY \$75,000)	\$60,000 Death Benefit	\$50,000 Death Benefit	\$60,000 Death Benefit	\$50,000 Death Benefit
Max Benefit Periods	Single: -72 Months Joint: -84 Months Standard -90 Months Premier	7 Years	7 Years	Unlimited	8 Years	7 Years
Payment Type	Reimbursement	Reimbursement	Indemnity	Reimbursement	Reimbursement or Indemnity (70-80%)**	Indemnity
Residual Death Benefit	None	Lesser of 5% or \$10,000	20%	None	Lesser of 5% or \$5,000	Lesser of 10% or \$10,000
Prequalification Links	ForeCare Prequal	MoneyGuard Prequal	CareMatters II Prequal	Asset Care Prequal	PremierCare Prequal	SecureCare Prequal

* Details vary by state. All guarantees subject to the terms and conditions of the contract at time of issue and to the claims paying ability of the issuing insurer.

** The indemnity factor is dependent on issue age, gender and inflation benefit option.

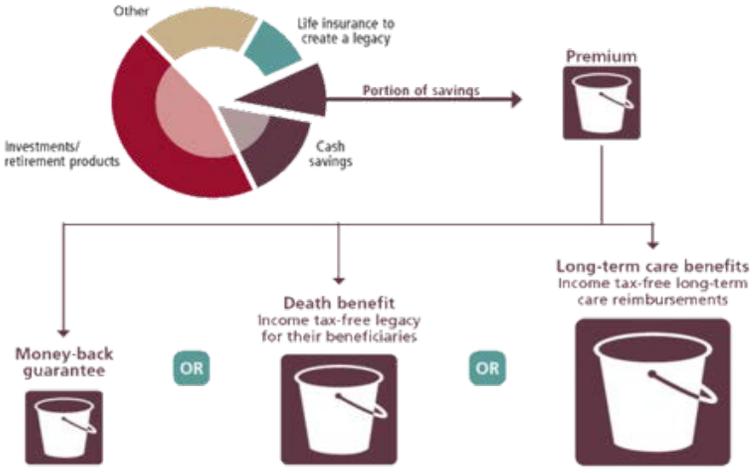
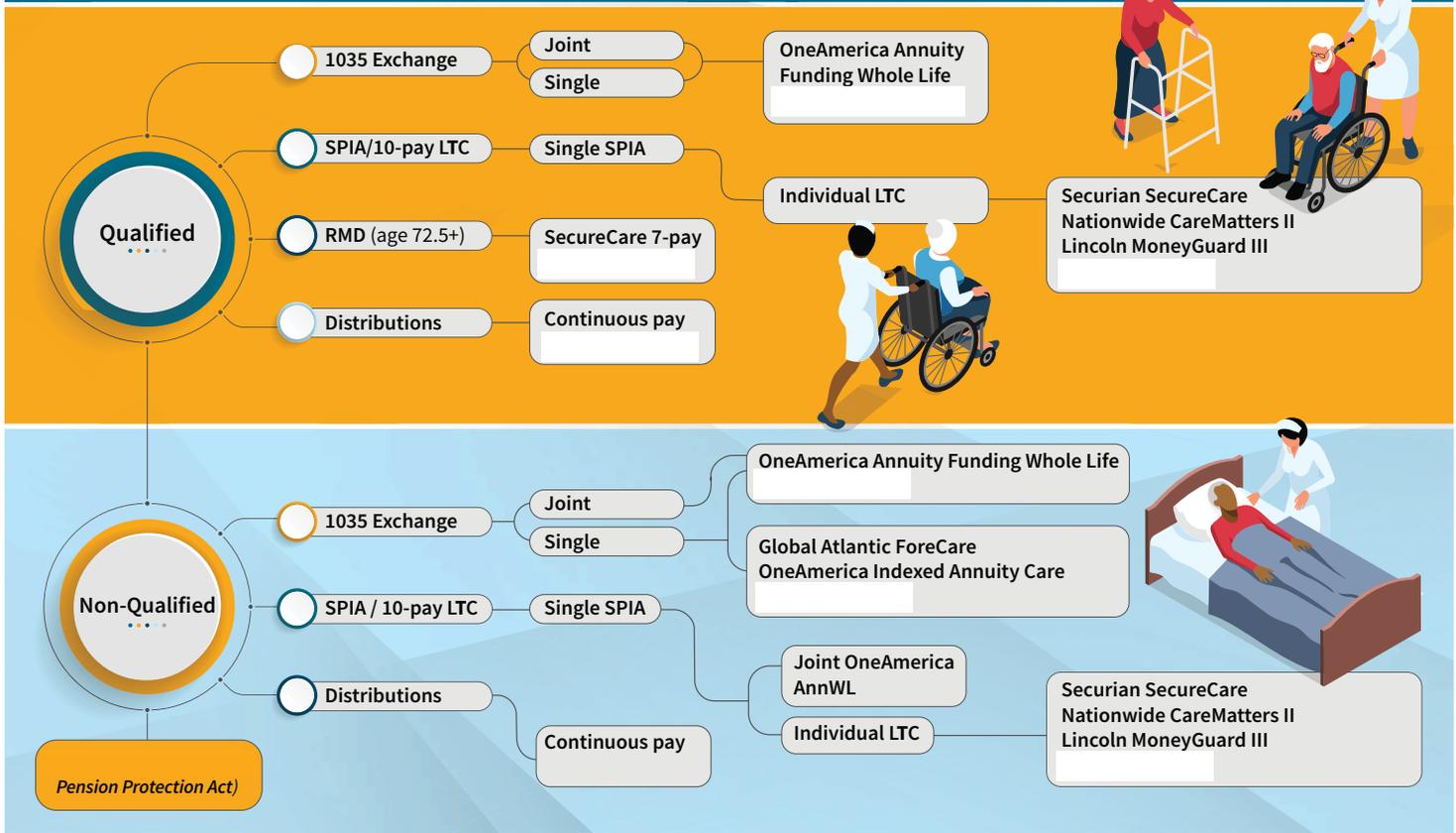
HYBRID-LINKED ANNUITY/LTC



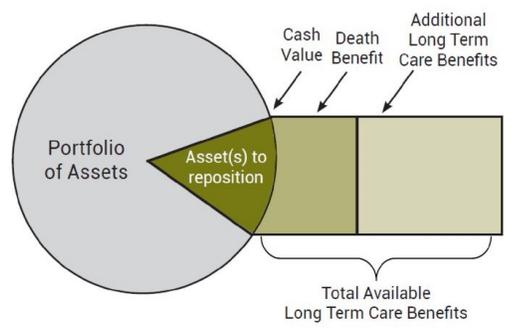
Asset Based LTC Solutions Have Their Advantages

LTC Annuity

Annuities are one of the most underutilized assets to leverage for LTC. Not only can we reposition both qualified and nonqualified annuities via 1035 exchange into an asset-based solution, but we can also use one spouse's individually owned asset to cover both spouses through a variety of strategies. This outline is intended to help you understand what your options could be when reviewing funding opportunities. We follow the path based on your annuity tax and ownership characteristics to view a potential solution. Note these examples are subject to change as carriers update pricing and are intended for example purposes only.



HYBRID ("LINKED BENEFITS") LTC POLICIES



"IF YOU DON'T USE IT - YOU DON'T LOSE IT"

HYBRID-LINKED LIFE & ANNUITY/LTC



Asset Based LTC Solutions Have Their Advantages

MEDICAL REALITIES TODAY



US CENSUS BUREAU, AMERICAN COMMUNITY SURVEY, 5-YEAR ESTIMATES, 2008-2012



CIRC.AHA/JOURNALS.ORG/CONTENT/EARLY/2013/12/18/01.CIR.0000441139.002102.80



WWW.ALZ.ORG/DOWNLOADS/FACTS_FIGURES_2013.PDF



The average couple retiring at 65 can expect to pay

\$220,000

in out-of-pocket medical expenses during retirement

FIDELITY.COM/INSIDE-FIDELITY/INDIVIDUAL-INVESTING/FIDELITY-COUPLES-RETIRING-IN-2013-WILL-NEED-220000-TO-PAY-MEDICAL-EXPENSES-THROUGHOUT-RETIREMENT



73% of survey respondents cite a major healthcare problem as their primary concern about living to age 100

SAFUNDS.COM/PDF/RETIREMENT-RE-SET-STUDY/RETIREMENT-RE-SET-KEY-FINDINGS.PDF



The average cancer patient can expect to pay

\$1,266

in out-of-pocket medical expenses each month

HTTP://SEER.CANCER.GOV/CSR/1975_2009_POPSO9

GIVEN THE FACTS WOULD A LTC CLAIM DESTROY RETIREMENT PLAN?

Life + LTC Linked Benefits

Annuity + LTC Linked Benefits



LTC Never Used

Tax free death benefit to heirs



LTC Never Used

Account Value can be moved to another annuity.



Funding Options

Non-qualified and qualified funds



Funding Options

Non-qualified funds



LTC Benefits

- Joint coverage
- Lifetime coverage
- Indemnity payouts (ie payouts in cash)
- Simplified and fully underwritten products
- No increasing premiums
- Single, 5-Pay, 10-Pay, Continuous Pay



LTC Benefits

- Joint coverage
- Up to 3x account value
- Tax free when used for LTC Benefits
- Indemnity payouts (ie payouts in cash)
- Simplified underwriting
- Premium return at the end of term

ASSET BASED LTC - THE FIRST LINE OF DEFENSE

LONG TERM CARE INSURANCE DEDUCTIBILITY REFERENCE GUIDE

Category	Sole Proprietorship	C Corporation	S Corporation	Partnership	LLC
Tax treatment of premiums paid for employees	Eligible premium deductible above the line*	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee
Tax treatment of premiums paid for owner/employer	Eligible premium deductible above the line*	Fully deductible to entity, not taxable to employee	>2% owner-eligible premium deductible above the line; all others fully deductible to entity, not taxable to employee	Eligible premium deductible above the line*	Eligible premium deductible above the line*
Premium paid by	Sole Proprietor	Corporation	Corporation**	Partnership	LLC
Reported as income to employee/employer	N/A	N/A	W-2 wages to >2% owner	Scheduled K-1, guaranteed income	Reporting depends on whether elected Corp or Partnership status
Tax treatment of premiums paid for employee's spouse	Eligible premium deductible above the line*	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee	Fully deductible to entity, not taxable to employee
Tax treatment of premiums paid for owner's/employee's spouse	Eligible premium deductible above the line*	Fully deductible to entity, not taxable to employee	>2% owner-eligible premium deductible above the line*; all others fully deductible to entity, not taxable to employee	Eligible premium deductible above the line*	Eligible premium deductible above the line*

2019 Eligible Premiums***

Age 40 or below	\$420
Age 41 through 50	\$790
Age 51 through 60	\$1,580
Age 61 through 70	\$4,220
Age 71 and above	\$5,270

Premiums Paid by Individuals with After-Tax Dollars

Federal	Premium payments for tax-qualified LTC policies are considered unreimbursed medical expenses up to the amount of age-based eligible premium. An individual may include his or her annual eligible LTC insurance premium in the amount of unreimbursed medical expenses for the year. The amount of unreimbursed medical expenses that exceed 10% of the individual's AGI is federally tax-deductible as an itemized deduction for income tax purposes. These expenses must exceed 10% of the individual's AGI for Alternative Minimum Tax (AMT) purposes.
State	Tax incentives regarding LTC Insurance premiums vary by state.

* Above the line – Treated as an adjustment to gross income on the Individual Income Tax Return Form 1040, i.e., before itemized deduction, for sole proprietor, partner, LLC shareholder and >2% S Corp shareholder.

** Under IRS Notice 2008-1, the IRS will also allow the same treatment for premiums paid by the shareholder/employee and reimbursed by the S Corporation.

*** Source: IRS Revenue Procedure 2016-55 (2018 limits) The per-diem limitation under Section 7702B(d)(4) for periodic payments received under a qualified long-term care insurance contract for 2018 is \$360 (This amount did not change from 2017).

The information contained in this summary is provided with the understanding that it is not to be interpreted as specific legal or tax advice. Neither LTCI Partners LLC nor Sarasota Financial Group, Inc. nor any of their respective employees or representatives is authorized to give legal or tax advice. Individuals are encouraged to seek the guidance of their own personal legal or tax counsel. 11/18 (18-FCB-EMBN-MW-0513) Copyright © 2018 NFP.

PROTECT YOUR FUTURE WITH GUARANTEES



The Federal Long Term Care Insurance Program™

	Hybrid-Linked Life/LTC Products	The Federal Long Term Care Insurance Program™
Premiums	<p>Payment</p> <p>Guaranteed</p> <p>Time</p>	<p>Payment</p> <p>Not guaranteed</p> <p>Time</p>
Death Benefit	<p>Money for your loved ones</p>	<p>×</p>
Cash value	<p>Cash value</p> <p>Get it back</p> <p>Time</p>	<p>×</p>
Coverage Length	<p>Fixed Up to a lifetime</p>	<p>Fixed Up to a lifetime</p>
LTC Benefits	<p>Monthly LTC benefit</p>	<p>Monthly LTC benefit</p>

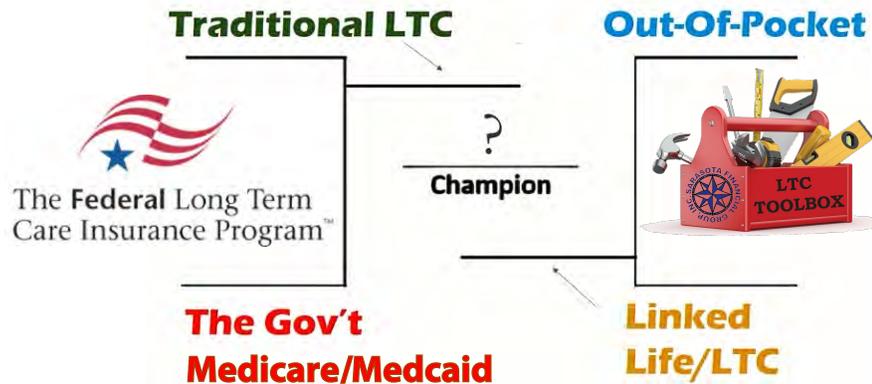
LTCFEDS - FEDERAL EMPLOYEE LONG TERM CARE INSURANCE

- The Federal Long Term Care is a group policy. The Group Policyholder is the U.S. Office of Personnel Management (OPM). Established 12/18/2001.
- The State Departments of Insurance (NAIC) do not have jurisdiction or regulatory power over these policies.
- These policies are fully underwritten. Spouses may apply together however there is no Spouse/Partner discount.
- Standard rates are applied to all applicants who are approved for coverage. There are no Preferred rate discounts.
- There is no agent distribution. There is an "800" phone number for questions.
- The Federal Plan pays only 75% of the available funds for Home Health Care and Adult Day Care.
- The Inflation rider options are Lifetime, 4% and 5% Compound or GPO. No 4% or 5% Simple interest option.
- The Elimination Period is measured in "service days". No waiver of E.P. for Home Health Care.
- The Office of Personnel Management will assign their Care Coordinator who will determine if Alternative Care benefits will be allowed under the policy.
- Unique to this policy is the "Right to Change Contract Provisions". The OPM retains the right to change coverages, reduce benefits duration solely at their discretion as they are outside of the jurisdiction of the State Dept.'s. Of Insurance.

[Contact Sarasota Financial Group to learn more about Federal Long Term Care]

TRADITIONAL VS HYBRID-LINKED

Ways to pay for LTC Bracket



Federal Employee Single - Age 60 \$100 / Day Benefit

Plan Parameters	Traditional LTC Feds	TSP & IRA Life / LTC	Non-Qual Life / LTC
Initial Monthly LTC Benefit Per Person	\$3,000	\$3,000	\$3,000
Monthly LTC Base Benefit - 20 Years	\$5,418	\$5,434	5,418
Inflation Increase Hybrid Base Pool 3% for 33 months	Monthly Benefit 3% Compound	Continuation of Benefits 3% Compound	Continuation of Benefits 3% Compound
Monthly Premium	\$200	\$0	\$0
Annual Premium	\$2,400	\$0	\$0
20 Years Premium	\$48,000	\$0	\$0
Premiums Guaranteed ?	Guaranteed Renewable	Guaranteed Premiums	Guaranteed Premiums
Lump Sum Deposit	\$0	Plus \$58,500 Qualified	Plus \$55,500 Non-Qual
Total Monthly Benefit Periods	60 Months	75 Months	75 Months
Death Benefit Tax Free	\$0	\$75,210	\$75,000
Cash Surrender 20 Year - Age 80	\$0	\$53,300	\$53,152

Federal Long Term Care only pays only 75% of the available funds for Home Health Care and Adult Day Care.

HOME CARE SERVICE PLANS



AN EVOLUTION IN AVOIDING NURSING HOME CONFINEMENT

According to Health and Human Services, 70% of seniors will need some form of home care in their lifetime. That is nearly three out of four of us.

Many seniors are under the impression that their traditional health care programs will also provide the desired services in the home such as meal preparation, grocery shopping, assistance with hygiene, dressing, grooming, 24-hour care, etc. Medicare, Medigap and most Medicare Advantage Plans are designed to cover hospital stays, doctor bills and some short term skilled nursing. **Unfortunately, they do not cover the cost of everyday assistance in your own home.**

Traditional insurance is an option for such services, however this type of coverage is usually secured by individuals between the ages of 45 and 60 who are in better than average health. While your loved ones will have the best intentions to be there for you when an unexpected crisis arises, most are not prepared for the time, energy and amount of work involved in care giving and quickly become overwhelmed.

True freedom Premier Plans are the most viable alternative to traditional long Term Care Insurance. When assistance becomes essential in the event of a sudden injury or illness, these membership plans quickly coordinate and arrange care for seniors in the privacy and comfort of their own home. Every day can bring an unexpected challenge into a senior's life. The good sense of having a True Freedom Premier Plan in place will give members and their families the peace of mind, security and independence in being prepared as they move forward together.

WATCH OUR VIDEO

All True Freedom Premier Plans Feature:

- Field Issue Contract
- No Underwriting
- No Claim Forms
- No Deductible
- No Age Limits
- Available Nationwide

Our plans can arrange for care 24 Hours a day / 7 days a Week in the comfort of your home.

Available Savings Upon Enrollment:

A 5% Discount is available for individuals selecting an annual membership payment.

A 10% Discount is available on each membership for Husband & Wife / Domestic Partners when enrolling at the same time.

A 15% Discount is available on each membership for Husband & Wife / Domestic Partners when enrolling at the same time and selecting an annual membership payment.

TRUE FREEDOM PLANS

PLATINUM PLAN

10,000 lifetime Membership Hours (10 X 1000 Hour Bundles) \$250,000 *Current Lifetime Retail Value

\$5,700.00 Annually / \$475.00 Monthly

5% Annual Payment Discount For An Individual - \$5,415.00

10% Discount For Couples/Domestic Partners - \$427.50 Monthly (For Each Membership)

15% Annual Payment Discount For Couples/Domestic Partners - \$4,845.00 (For Each Membership)

GOLD PLAN

6,000 lifetime Membership Hours (10 X 600 Hour Bundles) \$150,000 *Current Lifetime Retail Value

\$3,540.00 Annually / \$295.00 Monthly

5% Annual Payment Discount For An Individual - \$3,363.00

10% Discount For Couples/Domestic Partners - \$265.50 Monthly (For Each Membership)

15% Annual Payment Discount For Couples/Domestic Partners - \$3,009.00 (For Each Membership)

SILVER PLAN

3,000 lifetime Membership Hours (10 X 300 Hour Bundles) \$75,000 *Current Lifetime Retail Value

\$2,100.00 Annually / \$175.00 Monthly

5% Annual Payment Discount For An Individual - \$1,995.00

10% Discount For Couples/Domestic Partners - \$157.50 Monthly (For Each Membership)

15% Annual Payment Discount For Couples/Domestic Partners - \$1,785.00 (For Each Membership)

BRONZE PLAN

1,500 lifetime Membership Hours (10 X 150 Hour Bundles) \$37,500 *Current Lifetime Retail Value

\$1,140.00 Annually / \$95.00 Monthly

5% Annual Payment Discount For An Individual - \$1,083.00

10% Discount For Couples/Domestic Partners - \$85.50 Monthly (For Each Membership)

15% Annual Payment Discount For Couples/Domestic Partners - \$969.00 (For Each Membership)

SUITABILITY STANDARD FOR ENROLLMENT:

Prospective members must be able to live independently and cannot be currently receiving essential in home care service or assistance (including from family members) at the time of enrollment.

AGENCY AND ANYTIME SERVICES INCLUDE:

- Meal Planning / Preparation
- Assistance With Dressing
- Assistance With Bathing
- Toileting And Hygiene
- Grooming
- Laundry, Ironing
- Changing Linens
- Grocery Shopping
- Light Housekeeping
- Monitor Diet And Food Expirations
- Medication Reminders
- Accompany To Place Of Worship
- Accompany To Doctors Appointments
And More

** The value of the "Lifetime Membership Hours" for each plan are determined from a current retail average of \$25.00 per hour for non-medical home health aides. All plan hours are divided into ten equal "bundles" that total the Lifetime Membership Hours of a chosen level contract. Each bundle of hours can be utilized as quickly or as slowly as required. Multiple bundles of hours can be accessed in a single calendar year within the parameters of the plan.*

True Freedom Premier Plans are Service Contracts, NOT Insurance.

KEY FEATURES AND BENEFITS

When considering a long-term care insurance policy, you should be familiar with the following:

Key policy features

Daily/monthly benefit: The maximum daily or monthly amount your policy will provide toward the cost of long-term care.

Benefit maximum: The maximum benefit amount available under a policy (e.g., \$360,000).

Elimination period: The waiting period before benefits are paid (e.g., 90 days). Opting for a longer waiting period is a good way to lower your premium cost.

Inflation rider: A provision that helps benefits keep pace with the increasing cost of care. See box below.

Shared benefits rider: A provision that allows a couple to share benefits between their policies. For example, if they each have \$250,000 of benefits but one partner exhausts his or her entire benefit, that partner can begin drawing on benefits from the other partner's policy.

Free-look period: A 30-day time frame after purchasing insurance, during which you may cancel for a full refund of your premium.

Guaranteed renewability: Your policy cannot be cancelled, and premiums cannot be increased unless all policies of that type within a particular state are increased together.

Care coordination benefit: A service where a professional may arrange, monitor or coordinate the necessary services.

Exclusions: Certain conditions are listed as exclusions for most policies including, but not limited as policies vary, to alcoholism, drug abuse, some mental illnesses and nervous disorders. Self-inflicted injury is also usually excluded from coverage.

Where care is provided

Professional care can be delivered in a variety of different settings, and many long-term care insurance policies give you the option to receive care in the setting of your choosing.

Home health care: Services provided at home

Assisted living facility: Residential care setting that provides housing and support services for people wanting or needing assistance with daily living tasks

Memory loss units: Often located as a separate wing of an assisted living facility, these units provide 24-hour support, and locked premises to assure that no one wanders off

Nursing home: Full-time care in a dedicated facility

Adult day care: Community-based, daytime supervision providing social, recreational or health assistance off-site during working hours

When will a policy start to pay for care

Generally, long-term care insurance policies begin to pay benefits when one of two different criteria is met and you have met the elimination period.

You are unable to perform two of the six activities of daily living (ADLs) without assistance or supervision:

Continence: Control of one's bladder and bowel movements

Dressing: Clothe oneself

Toileting: Use a toilet and perform associated personal hygiene

Eating: Feed oneself

Bathing: Bathe oneself

Transference: Move oneself into or out of a bed or a chair

or

You have **severe cognitive impairment**, such as Alzheimer's disease and other forms of dementia, which make it impossible for you to live independently in a safe manner.

Keeping up with increasing cost of care



Consider the options available to grow your benefits to help keep up with increasing cost of care. Your selection can have a significant impact on the premium you are charged. The faster your benefits are set to grow, or the more guaranteed the growth is, the higher your premium will be.

Examples of options

- Step-rate inflation option
- Return of premium option
- 1% and 2% compound inflation
- Options that grow for a period and then level off
- Guaranteed purchase option—you have a limited right to purchase more coverage, with no new underwriting

REIMBURSEMENT VS INDEMNITY

Carriers utilize one of these two methods to pay long-term care benefits.

Reimbursement model can:

1. Allow your family to care about you, not for you
Do you believe that long-term care protection should pay licensed professionals to provide services you wouldn't want your family or neighbors to do for you.

2. Eliminate paperwork
Carriers can handle billing administration, where care providers bill directly without involvement of the insured.

3. Lower cost
Many other carriers have stopped offering indemnity policies due to the potential for fraud, which leads to high costs for consumers. The reimbursement model has inherent safeguards that make it a more stable platform.

4. Be absolutely tax-free
The reimbursement model ensures adherence to the 7702(b) contract, which guarantees the entire amount sent to a care provider is distributed tax-free.

See for yourself the real benefits of reimbursement versus indemnity

	Our reimbursement	Indemnity
Cost	Often lower due to only paying for services received	Can be higher due to paying a fixed amount, regardless of the cost incurred
Benefit period	Pays a guaranteed amount of benefits for a predetermined period of time	Can exhaust benefits faster if cost of care is lower than monthly benefit amount
Benefit restrictions	Requires care to be provided by a licensed professional	Does not always require care to be provided by a licensed professional
Paperwork requirement	Insured can pay a care provider directly, then submit receipts for reimbursement OR Care provider can send bill directly to us to pay the claim without involving the insured	Insured must often prove they have incurred care expenses, pay provider directly, then submit to carrier for indemnity payout
Tax implications	Reimbursement amounts are distributed tax-free	Any benefits paid in excess of the IRS daily per diem can create significant tax consequences
Monthly LTC benefit	Pays the exact amount incurred for qualifying expenses, up to a monthly maximum	Pays a set benefit amount, regardless of the amount of charges incurred

A **reimbursement plan** pays the actual cost of care, while the **indemnity plan** pays the maximum daily (or monthly) benefit. Indemnity plans even allow you to put money in the bank. The advantage of an indemnity long term care plan is the potential to receive more money each month than you incur in expenses.

Note: This material is provided for overview or general information purposes only. Changes in the tax law may affect the information provided. This is not to be considered, or intended to be legal or tax advice.



Who We Are

Welcome to Sarasota Financial Group, Inc.
We are committed to helping people pursue their financial goals with over 40 years of experience in the financial service industry.

SFG Federal is contracted with the Federal Government and pride themselves on a unique, comprehensive and educational approach to financial planning.

We specialize in Long-Term Care (LTC) Insurance solutions. Our product portfolio includes both Standalone and Hybrid Life/LTC Insurance and we represent over 10 different insurance companies.

Our mission is simple - we want to make the process of planning for Long-Term Care easy for you.

For more information, visit:
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