



LTC – THE CONCEPT OF LEVERAGE

A CHOICE: SELF-INSURE OR LEVERAGE YOUR ALLOCATION?

- ◆ Female Age 60 Example

SELF-INSURE

- ◆ \$100,000 set aside for Long-Term Care costs will provide:
 - \$100,000 of benefits Day 1 = 1x allocation amount
 - \$219,000* of benefit at Age 80 = 2.19x allocation amount

LEVERAGE YOUR ALLOCATION (PROFESSIONALLY INSURE)

- ◆ \$100,000 repositioned
 - \$346,000 total benefits Day 1 = 3.46x
 - \$647,992 total benefits at Age 80 = 6.47x
 - Full return of \$100,000 upon your surrender anytime
 - Death Benefit of \$100,000+ if no benefits used
 - Same benefit need – unused balance up to what you paid is returned

**Assuming 4% net after-tax growth on \$100,000*

Self-Insure

You Allocate
\$100,000



You Have
\$100,000 + after tax interest For Benefits



Professionally Insured

You Allocate
\$100,000



Insurance Company Allocates
Another \$300,000 - \$700,000 For Benefits

