

UNDERSTANDING YOUR OPTIONS

Having a chronic illness means that your client is unable to perform at least two of the Activities of Daily Living (such as eating, bathing, etc.) for at least 90 days, or your client has experienced a severe cognitive impairment. Here is a brief overview of four common insurance options that your clients may want to consider for financial protection in the event of a chronic illness.

TRADITIONAL LONG-TERM CARE (LTC)	HYBRID LTC AND LIFE INSURANCE
<div style="font-size: 48px; font-weight: bold; margin-bottom: 20px;">1</div> <ul style="list-style-type: none"> ▪ Most LTC coverage per \$ of premium ▪ Benefit inflation riders ▪ Can qualify for State Partnership ▪ Premiums can increase in future ▪ No single pay or limited pay <p style="color: #4F81BD;">Attractive if the primary need is LTC without a wealth transfer or legacy planning goal.</p>	<div style="font-size: 48px; font-weight: bold; margin-bottom: 20px;">2</div> <ul style="list-style-type: none"> ▪ Most LTC coverage per \$ of premium ▪ Benefit inflation riders ▪ Can qualify for State Partnership ▪ Premiums can increase in future ▪ No single pay or limited pay <p style="color: #4F81BD;">Attractive if the primary need is LTC but would like to pass unused benefits to next generation.</p>
LIFE INSURANCE W/ LTC RIDER	LIFE INSURANCE W/ CHRONIC ILLNESS
<div style="font-size: 48px; font-weight: bold; margin-bottom: 20px;">3</div> <ul style="list-style-type: none"> ▪ Flexible premium modes ▪ Higher death benefit, lower LTC benefit ▪ LTC benefits = percentage death benefit ▪ In no LTC needed, full death benefit paid to beneficiaries ▪ Residual death benefit. <p style="color: #4F81BD;">Attractive if the primary need is life insurance but also looking for protection against LTC expense.</p>	<div style="font-size: 48px; font-weight: bold; margin-bottom: 20px;">4</div> <ul style="list-style-type: none"> ▪ Flexible premium modes ▪ No upfront cost for LTC/ pay only if benefit is used. ▪ In no LTC needed, full death benefit paid to beneficiaries ▪ May or may not include terminal illness <p style="color: #4F81BD;">Attractive if the primary need life insurance and a secondary need to protect against chronic and/or terminal illness.</p>

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Most insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Ask your financial professional to provide you with costs and complete details. Guarantees are based on the claims-paying ability of the issuing insurance company. AIMCOR Group, LLC is not an insurer and does not issue contracts for coverage. This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. The information is not intended as investment advice.

TRADITIONAL LONG-TERM CARE INSURANCE

1

PROS

- Choice. Range of coverage options
- Cost-effective.
- Tax advantages. Tax-free benefits (most instances)

CONS

- Premiums are not guaranteed and can increase
- Limited. Only covers qualified LTC expenses
- Use it or lose it.

HYBRID LTC AND LIFE INSURANCE

2

PROS

- LTC coverage w/ a death benefit if not needed
- Exit strategy. Most offer a return-of-premium feature if client cancels the policy.
- Potential higher benefits.

CONS

- Most require proof of qualified LTC expense for reimbursement.
- Benefits may exceed IRS limits for qualified care.
- Lower death benefit compared to traditional life insurance.

LIFE INSURANCE W/ LONG-TERM CARE RIDER

3

PROS

- One product, covering two needs (life and LTC)
- Can complement other planning strategies.
- Available as a feature or add-on rider to most permanent life insurance contracts .

CONS

- Most require proof of qualified LTC expense for reimbursement.
- Monies accelerated for LTC expenses reduce the death benefit amount paid to beneficiaries.

LIFE INSURANCE W/ CHRONIC ILLNESS RIDER

4

PROS

- One product, covering two needs (life and CI)
- Can complement other planning strategies.
- Available as a feature or add-on rider to most permanent life insurance contracts .
- Often benefits paid w/o evidence of expense

CONS

- Limited benefit payouts
- Subject to IRS limits.
- Monies accelerated for expenses reduce the death benefit amount paid to beneficiaries.

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