

Every Day, Seniors Needlessly Abandon a Life Insurance Policy and Get Nothing In Return



Long Term Care Benefit

Here are three examples of families that converted their policies into a Long Term Care Benefit Plan:

Did You Know...

A life insurance policy can be converted to pay for Senior Care expenses

If a policy owner no longer needs, or can no longer afford their policy, and is considering letting it lapse or surrendering it for the remaining cash value, then converting it into a Long Term Care Benefit Plan is the answer.

2015 National Average Costs Senior Care

- Nursing Home - \$7,583/mo..... \$91,000
- Assisted Living - \$3,600/mo..... \$43,200
- Homecare - \$6,284/mo..... \$76,608
*12 hours per day (\$19/hr.)

Genworth Cost of Care Survey 2015



Example #1

Gender / Age	Female / 74
Policy Size	\$50,000
Policy Conversion	\$21,700
Monthly Benefit	\$800
Benefit Duration	24 months
Funeral Benefit	\$2,500

Example #2

Gender / Age	Male / 77
Policy Size	\$100,000
Policy Conversion	\$45,000
Monthly Benefit	\$4,500
Benefit Duration	9 months
Funeral Benefit	\$4,500

Example #3

Gender / Age	Female / 76
Policy Size	\$376,000
Policy Conversion	\$105,000
Monthly Benefit	\$5,000
Benefit Duration	20 months
Funeral Benefit	\$5,000

The examples above are for illustrative purposes only and do not constitute a guarantee for other transactions. Source: Life Care Funding



Long Term Care Benefit

Long Term Care Benefit FAQ

Q: What is a Long Term Care Benefit Plan?

A: The Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a pre-funded, FDIC insured, irrevocable Benefit Account that is professionally administered with tax-free payments made monthly on behalf of the individual receiving care. It is a unique financial option for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. It is not long term care insurance or a policy loan. Policy owners use their legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct payments to cover their senior housing and long term care costs.

Key Benefits of the Program Include:

- Simple, no-cost application and review process
- Quick approval and funding (no wait periods)
- No age minimum
- No premium payments
- Term, Universal, Whole and Group life insurance all qualify
- All types of in-force life insurance qualify
- Monthly, tax-free payments made directly to care provider/facility of choice
- Provides tax-free Funeral Expense benefit

Q: Is the Long Term Care Benefit Plan a long term care insurance policy?

A: Conversion of a life insurance policy into a Long Term Care Benefit Plan is not a long term care insurance policy, annuity, any form of hybrid life/LTCi policies, or an accelerated death benefit it is actually the private market exchange of a life insurance policy for a Pre-paid Benefit Plan at the time that care needs to be paid. There are no premiums and nothing ever needs to be paid back.

Q: What types of life insurance qualify for conversion into a Long Term Care Benefit Plan?

A: Universal, Whole, Term, and Group life insurance policies are all eligible. The value of the conversion is based solely on the death benefit, and cash value is not a factor in determining the conversion value of a life insurance policy.

Q: What forms of Senior Care qualify?

A: The Benefit Plan will pay the following monthly expenses directly to the health care provider:

- Home Care (Family Caregiver/Private Duty/Non-medical or Skilled Nursing)
- Independent Living
- Assisted Living
- Memory Care
- Nursing Home
- Hospice Care

Q: What determines the amount of the monthly Benefit Payment?

A: The conversion value of a life policy to fund the Long Term Care Benefit is based on an actuarial calculation that factors the face amount (death benefit) of the life insurance policy, annual premium payments and the health care needs of the applicant. Once the conversion value is determined and the enrollment is complete, expenses will be paid monthly to the appropriate health care provider.

Q: Is there a Funeral Benefit?

A: Yes, all Benefit Accounts reserve 5% of the death benefit or \$5,000, whichever is the lesser, to provide a tax-free funeral benefit payment to the Account's named beneficiary.

Q: Are there any fees or obligations to apply?

A: No, there are no application fees and no obligations to apply. Once a policy is converted by the owner, the Long Term Care Benefit payments begin immediately and the enrollee is relieved of any responsibility to pay any more premiums.

Q: How long does the enrollment process take?

A: The typical enrollment time is 30-60 days. The actual time to complete the process will vary on the applicant's ability to provide the necessary requirements for review such as: signed application and authorizations, copy of life insurance policy, last two years of medical records, and offer/enrollment packet.

Q: How long do Long Term Care Benefit payments last?

A: The average enrollment period will last between one and two years. The Benefit is adjustable so an enrollee can customize the monthly Benefit payments to best meet their changing health care needs. Each case is unique and enrollees work with their families, and possibly a financial or legal advisor, to create a Benefit schedule to best meet their monthly budgets.

Q: What happens if the enrollee dies before all of the Long Term Care Benefit is paid out?

A: Should the enrollee pass away with additional funds remaining in their Benefit Account, the remaining balance is paid tax-free directly to the enrollee's named beneficiaries. Enrollees and/or their beneficiaries are assured to receive the full Benefit amount even if the client dies before all monthly payments have been made.



Long Term Care Benefit

Long Term Care Benefit FAQ (cont)

Q: Is the enrollee actually transferring the ownership of the life insurance policy?

A: Yes, the enrollee will transfer all ownership and beneficiary rights to the life insurance policy to enroll in the Long Term Care Benefit Plan and will complete a life settlement working directly with a licensed Provider. From the moment the Benefit Plan is established, the Benefits Administrator will begin making monthly payments to the appropriate health care provider as well as all future premium payments on the life insurance policy. The enrollee is no longer responsible for premium payments and the policy is no longer considered an asset that will count against them for future Medicaid eligibility.

Q: How is a Long Term Care Benefit Account administered and safe-guarded?

A: The Benefit Plan is an irrevocable; FDIC insured account held by a nationally chartered Bank & Trust and then administered by a licensed, benefit management company ensuring that the funds are protected and only used for the recipient of care. The account also has the added protection for the enrollee of paying any remaining balance to a named account beneficiary and/or providing a final expense benefit to help cover funeral expenses.

Q: Which states can a policy be converted?

A: A life insurance policy owner has the legal property ownership right to convert their policy into a Long Term Care Benefit Plan in every state in America.

Q: How does converting a life policy impact an enrollee's eligibility for Medicaid?

A: A life insurance policy is legally recognized as an asset of the policy owner and it counts against them when qualifying for Medicaid. If a policy has anything more than a minimal amount of cash value (usually in the range of \$2,000) it must be liquidated and that money spent towards cost of care before the owner will qualify for Medicaid. All Medicaid applications specifically ask if the applicant owns life insurance and full policy details. Failure to disclose and comply is fraud.

Some states allow for a final expense policy to be kept or transferred to a funeral home (but the funeral home would keep the entire death benefit). Medicaid recovery units have become much more forceful about looking for life insurance policy death benefits (declared and undeclared) that have paid out to families after the death of a Medicaid recipient. Medicaid budgets are now facing extreme pressure and asset recovery efforts can be very aggressive. Recovering the entire cost of care against a retained life insurance policy through legal actions against the estate and surviving family by pursuing the death benefit through probate action is a federally mandated requirement. by the Deficit Reduction Act (DRA).

The Long Term Care Benefit Plan are all "private pay" funds and recognized as a qualified spend-down of the policy asset, because the proceeds in the form of an irrevocable, Benefit are paid to cover the costs of care until exhausted. A partial death benefit is preserved over this spend-down period and a final expense funeral payment is also preserved. Once the Benefit has been spent-down, the enrollee would be able to apply for Medicaid without the life insurance asset counting against them.

Q: Does the policy owner get a good value with a Long Term Care Benefit Plan?

A: Seniors lapse or surrender a life insurance policy because they either can no longer afford premium payments or they are preparing for Medicaid eligibility and they abandon the policy because it is an unqualified asset that will count against them. For a policy owner looking for an alternative to abandoning their policy and accessing private-pay dollars for Senior Care; the option to convert their life insurance policy into a Long Term Care Benefit Plan will allow them to realize the true, fair market value of their policy and spend it down tax-free in a Medicaid compliant manner. As long as the individual remains private pay they can choose whichever form of long term care they desire and are not constrained to only receive Medicaid covered services.