



Options for paying for long-term health care

Jared M. Elson

Investment Advisor Representative

Regent Wealth Management • 1295 E. Dunne Ave., Suite 200, Morgan Hill • (877) 457-4567 • www.regentwm.com

Long-term care riders are like health and car insurance, you want the protection just in case you need it, but hope never to use it. Social security and Medicare offer limited protection if you need long-term care recovering from an illness or an injury.

When Social Security became law in 1935, a man's life expectancy at age 65 was 78; females would usually live to 80. The good news is that since then life expectancy has increased for men to 86.6 years old, mostly in good health, and women gained longevity to 88.8 years of age.

The danger is that as Americans continue to grow their life expectancy, the risks associated with an injury or illness requiring long-term care grow too.

High and medium net worth individuals need a discussion with their financial advisor about protecting themselves from the financial risks of needing long-term care that can quickly damage your financial worth.

The Affordable Care Act does nothing to address the aging of America and makes no provision for long-term care. This is actually very frightening. According to insurance executives, seven out of ten of people who live to more than 65-years of age

will need longterm care of some sort. Without advance planning for this need, payment is made by family members or the government. Once a person has exhausted most of his or her assets, Medicaid (Medi-Cal in California) will pay for a stay in a nursing home facility.

Happily, there are solutions to this problem that you can talk with your financial or retirement advisor that helps solve it.

1. One solution is to use life insurance with living benefits to provide long term care.
2. A second solution is to buy a separate policy for long-term health care.
3. A third option is asset based long term care solutions that provide long term care benefits in exchange for parking your money with a company.

The insurance industry reports that at least ten major companies added long-term care riders to their life insurance products in the past few years and more companies are following.

In most cases, a critically or chronically ill policyholder can get an advance on their death benefits and repay family members who helped with health care expenses or they can make

Continued on back



REGENT WEALTH MANAGEMENT

RETIREMENT, ESTATE & INVESTMENT PLANNING

1295 East Dunne Ave., Suite 200, Morgan Hill, CA 95037 • 577 Salmar Ave, First Floor, Campbell, CA 95008
(Meeting Office)

877.457.4567

www.regentwm.com

As read in these Newspapers:

MORGAN HILL
TIMES

GILROY
DISPATCH

FREE LANCE
HOLLISTER - SAN BENITO COUNTY



Jared M. Elson and Donald B. Bergis are Investment Advisor Representatives offering Investment Advisory Services through Global Financial Private Capital, LLC an SEC Registered Investment Adviser.



What To Do With the Family Home?

Continued from front

payments directly to the care facility. Moreover, these are tax-free distributions.

Another great feature of these life insurance policies with long-term illness riders is they do not require that withdrawals go for paying qualified long-term care costs to get accelerated benefits. Once the policyholder receives payment from their insurance company, the money is theirs for spending without any restrictions. It can go for paying unlicensed family members who are caring for the policyholder or other medical expenses.

In fact, the policyholder can use the money for non-medical expenses too. If a bucket list is short, and the policy owner wants, some items on the list can be stricken after recovery. While the face value of the policy shrinks, after an injury or illness has you receiving long-term care you are entitled to an adventure when you are feeling well enough.

These riders also have a price tag – according to insurance executives, policyholders pay between 10 and 20 percent more for the policy over one without long term care benefits. Additionally, in most cases when a seriously ill policyholder receives money from their death benefits it is limited to \$330 per day for long term care. According to “2014 Tax Facts on Insurance and Employee Benefits,” published by the National Underwriter

Company, payments over \$330 per day are considered taxable income.

There are other ways to insure against longterm health costs. Insurance companies issue policies specifically for protection against longterm health care costs. However, from the perspective of monthly premiums they are way less if purchased when the buyer is under 40.

As with most matters surrounding finance and retirement, a conversation with an investment professional that focuses on retirement planning is the best way to determine what type of longterm care coverage is best for you.

Any comments regarding safe and secure investments, and guaranteed income streams refer only to fixed insurance products. They do not refer, in any way to securities or investment advisory products. Fixed Insurance and Annuity product guarantees are subject to the claims-paying ability of the issuing company and are not offered by Global Financial Private Capital.

Continued on back

This material is intended to provide general financial information and is not written or intended as tax or legal advice. Individuals should seek advice from their own tax or legal counsel for their particular situation. Investment Advisory Services offered through Global Financial Private Capital, LLC, and an SEC Registered Investment Advisor. Jared Elson and Global Financial Private Capital, LLC do not provide tax or legal advice.



REGENT WEALTH MANAGEMENT

RETIREMENT, ESTATE & INVESTMENT PLANNING

1295 East Dunne Ave., Suite 200, Morgan Hill, CA 95037 • 577 Salmar Ave, First Floor, Campbell, CA 95008
(Meeting Office)

877.457.4567

www.regentwm.com

As read in these Newspapers:

MORGAN HILL
TIMES

GILROY
DISPATCH

FREE LANCE
HOLLISTER - SAN BENITO COUNTY



Jared M. Elson and Donald B. Bergis are Investment Advisor Representatives offering Investment Advisory Services through Global Financial Private Capital, LLC an SEC Registered Investment Adviser.

