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# How to Have Your LTCi Pie and Eat it Too!

BY MARC GLICKMAN

As an agent or advisor entrusted with the protection of your client's assets, you often have to assess risks far into the future. With people living longer, there is one risk that looms large – long term care. LTC is the need for assistance with activities of daily living that most commonly afflicts individuals as they reach older ages. The plan for LTC is most effectively addressed far in advance. Not only is it easier to save over a greater number of years, but clients also have access to more planning solutions. In particular, long term care insurance (LTCi) is often times the most effective alternative, but can only be purchased while the client is still young and healthy enough to qualify.

***EssentialLTC is the first new product in over a decade to offer full LTCi coverage!***

## Financial Value of Long Term Care Insurance

There are a myriad of LTCi solutions available in the marketplace from plans that provide pure LTCi coverage after a brief elimination period to plans that self-fund LTCi for the first few years by accelerating the client's life insurance death benefit.

Beyond the value of the insurance, which provides peace of mind at point of claim, there are a variety of financial benefits to purchasing LTCi solutions as an alternative to self-funding:

- **Financial Protection:** LTCi provides significant coverage in the event of a long term need that can quickly recoup the money paid into the policy.
- **Tax-Qualified Benefits:** The benefits received from a tax-qualified LTCi are generally received tax-free. Self-funding may require liquidating assets that results in a taxable event.
- **Liquidation Costs:** Many times the event that precipitates a long term care need is unpredictable and requires the immediate use of illiquid assets incurring significant loss of principal.
- **Tax Deductibility for Businesses:** In addition to tax-free benefits, LTCi can be tax-deductible for businesses.

## Executive Carve Out Summary

There are significant tax advantages for business owners who buy their coverage through a corporation, which is often called Executive Carve Out. The underlying financial value of LTCi remains, but the opportunity is enhanced using special tax advantages granted to LTCi in the IRS Code.

## EssentialLTC

***How much can small business owners save on their LTCi plan?***

### LTCi Executive Carve Out plans offer the following advantages:

- For the business, LTCi premiums may be tax deductible because LTCi is treated as health insurance.
- For the individual, Tax-Qualified LTCi generally results in the benefits received as tax-free.
- Benefits can be offered exclusively to the business owner and other key employees by "carving out" specific criteria as desired by the employer.
- Benefits for spouses are granted the same tax advantages.
- Additional employer group discounts for even small businesses may be available.
- EssentialLTC is a new solution that offers full protection including lifetime benefits and shorter payment plans.
- Small business owners can benefit too with deductibility available up to the Age Eligible Premium limits for LTCi.

Contact us to learn more:

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