



Self funding means any long-term care expenses will be paid for through distributions from financial assets. This strategy keeps the full risk for the amount of long-term care spending on the household and results in the widest range of potential spending outcomes.

As part of long-term care planning, let's do some math . . .

Let's assume Mrs. Smith earmarks \$100,000 for her long-term care expenses

<u>Self-Funding</u>		<u>Asset-Based LTCi</u>
In 19 years, at age 85, when long-term care may be needed, that \$100,000 will grow to:		What if that \$100,000 were reallocated to LTC insurance?
<i>Returns</i>	<i>LTC Funds</i>	<i>Total Tax-Free LTCi Pool*</i>
4%	\$202,582	\$670,944
5%	\$240,662	
6%	\$285,434	
		The portfolio will need to average more than 10.5% net of taxes and fees for 19 years, to out-perform Asset Care.**

<u>Cost of care ...</u>			
At 3% inflation, estimated LTC costs in Nebraska in 19 years, when Mrs. Smith will be 85:			
	<i>In-Home Care</i>	<i>Assisted Living</i>	<i>Private Room</i>
<i>Annual Cost:</i>	\$153,442	\$103,642	\$300,558
<i>Total Cost:</i>	\$613,768	\$414,568	\$1,202,232
Annual costs are based on Genworth's Costs of Care Survey. The total cost assumes that a female's average length of care is 4 years.			

* Securian guarantees an annual LTC benefit of \$103,726.

** An asset-based long-term care insurance policy links LTC insurance benefits to life insurance or an annuity. In this scenario, if the insured passes away without using LTC services, their beneficiaries will receive \$108,268 income-tax-free. If the client changes their mind about keeping the coverage, Securian will refund a portion of the premium.