

SIMPLICITY GROUP

The Long-Term Care Advantage: Elevate Your Client Relationships. Expand Your Practice.

The Growing Need for Long-Term Care

An estimated 70% of adults turning age 65 will require long-term care.[1] With the national median cost of a private nursing room exceeding $120,000 annually,[2] extended care events can pose a major threat to client retirement security. Traditional health insurance and Medicare rarely cover these costs, forcing unprepared families to liquidate retirement savings.

For advisors, these healthcare events can drain assets under management (AUM) and recurring fee income. Integrating LTC strategies can convert an unmanaged liability into additional practice growth opportunities.

The LTC Solution: Helping Protect What Matters Most

Long-term care strategies provide dedicated funding to safeguard wealth and preserve retirement income. Offering LTC can give clients greater control over care, reduce family burdens, protect portfolio capital, and cement your position as a holistic advisor.

Why Integrate LTC Into Your Practice?

Deliver Complete Care: Addressing extended care and legacy planning helps protect clients.

Expand Business and Retention: Cross-selling LTC increases household revenue and client stickiness. If you don't offer it, a competitor will.

Connect with the Next Generation: LTC planning introduces you to adult children prior to wealth transfer.

Protect AUM: Shield client portfolios from unplanned healthcare expenses to maintain recurring fees.

Reposition Client Assets: Move low-yielding assets into tax-advantaged care structures with no new out-of-pocket costs.

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Modern Long-Term Care Strategies Can Easily Fit into Your Practice

The evolution of modern LTC products makes it much easier to address critical care needs without a lot of additional lift, concern, or interruption.

- **Eliminates "Use-It-or-Lose-It" Concerns:** Built on familiar life insurance and annuity chassis, these solutions help preserve asset value. If long-term care is never needed, policy values can pass directly to beneficiaries as an income-tax-free death benefit under IRC Sec. 1-1 (a) (subject to policy provisions and statutory conditions).
- **Efficient Asset Repositioning:** Fund coverage without requiring new out-of-pocket cash flow by repositioning idle assets such as maturing CDs, or existing life/annuity contracts via 1035 exchanges.
- **Predictable Premiums and Benefits:** Offer clients clarity and protection backed by the contractual guarantees of top-rated issuing carriers, featuring fixed premium options and customizable benefit structures.
- **Flexible Client Features:** Return-of-premium options, flexible payment structures, and tax-qualified care distributions give clients greater control over their assets.



Target Markets and Client Touchpoints

Engage key client segments by connecting LTC strategies to routine financial milestones:

Annual Client Reviews: Ask clients if they have a dedicated strategy to cover care costs without draining income.

Idle Asset Holders: Review your book for low-yielding CDs, savings, or annuity cash values and reposition them to maximize asset efficiency.

Annuity Clients: Evaluate maturing contracts or present asset-based annuities for combined growth and care protection.

Existing Life Policyholders: Audit legacy permanent policies for opportunities to add living benefits for extended care.

Seniors Turning 65: Educate clients transitioning to Medicare on its strict extended care limitations.

New Client Fact Finding: Add extended-care risk as a standard intake pillar alongside market volatility and estate planning.

Contact your Simplicity Representative to explore how long-term care strategies can fit into your practice.

Sources:

[1] Administration for Community Living. (2020, February 18). How much care will you need? U.S. Department of Health and Human Services.

[2] CareScout. (2024). Cost of care survey 2024: Summary of survey findings (Doc No. 131168 030425). Genworth Financial.

Asset-based long-term care products contain fees, surrender charges, administrative expenses, holding periods, and underwriting requirements. Recommending the exchange or replacement of an existing life insurance or annuity contract requires a suitability evaluation. Tax-free benefit treatment under IRC Section 7702B and Section 1035 exchanges depends on contract terms and individual tax circumstances. Simplicity Group and its representatives do not provide legal or tax advice. All guarantees are backed solely by the financial strength and claims-paying ability of the issuing insurance company. The source(s) used to prepare this material is/are believed to be true, accurate and reliable, but is/are not guaranteed.

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