



Bonnie Dyar
Bill C. Brown Associates

One Choice

can impact generations

You are only one choice away from
changing your life and the lives of
those you love.



Facing the issue – What is long-term care?*

1

Referred to as custodial care, long-term care, or extended health care

2

Not necessarily nursing home care — most prefer home health care if given the option

3

Requiring assistance with activities of daily living (ADLs) — or a severe cognitive impairment.

Bathing
Eating
Dressing

Transferring
Toileting
Continence

The goal of long-term care is not to cure an illness, but to give an individual an optimal level of functioning. Long-term care includes a variety of medical, social, personal, supportive and specialized services needed by those who have lost some capacity for self-care because of a chronic illness or disabling condition.

* In OR convalescent care

Facts & Figures

National average cost of care in 2020

Adult Day Health Care	\$1,603 month / \$19,236 annual
Assisted Living Facility	\$4,300 month / \$51,600 annual
Homemaker Health Aide	\$4,576 month / \$54,912 annual
Nursing Home Care – <i>semi-private room</i>	\$7,756 month / \$93,072 annual
Nursing Home Care – <i>private room</i>	\$8,821 month / \$105,852 annual

Source: Genworth 2020 Cost of Care Survey <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>. 02/12/21



Facts & Figures

2.2 years¹

Average length of LTC need for Men

3.7 years¹

Average length of LTC need for Women

8 years²

Average length of LTC event for an Alzheimer's diagnosis

1. "How Much Care Will You Need?" LongTermCare.gov. U.S. Department of Health and Human Services. <https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>. Last modified 10/15/2020. 2. Alzheimer's Association. 2020 Alzheimer's Disease Facts and Figures. Alzheimer's Association. <https://www.alz.org/media/Documents/alzheimers-facts-and-figures.pdf>

Facts & Figures

Company	Largest claim (Male)	Total cost	Largest claim (Female)	Total cost
1	14 years, 2 months	\$2,276,381	16 years, 6 months	\$2,329,333
2	19 years, 3 months	\$2,205,800	15 years, 4 months	\$2,636,417
3	16 years, 2 months	\$2,091,083	9 years, 10 months	\$1,727,594
4	15 years, 8 months	\$1,700,000	14 years, 6 months	\$2,000,000
5	14 years, 3 months	\$1,461,256	11 years, 7 months	\$2,012,385
6	15 years, 4 months	\$1,413,934	15 years, 6 months	\$1,499,601
7	13 years, 2 months	\$1,179,502	18 years, 1 month	\$1,316,417

Source: <http://www.aaltci.org/long-term-care-insurance/learning-center//ltcfacts-2019.php#2019end>. November 2019



Facts & Figures

1

Higher demand

Number of people needing care at the same time

2

Longer life spans

Life expectancy increases can result in higher costs

3

Family dynamics

Who is providing care now?

4

Government

What programs will be available? Who will qualify?



Facts & Figures

6.2 million

Americans age 65+
that have Alzheimer's
disease in 2021

12.7 million

Americans 65+
projected to live with
Alzheimer's by 2050

Source: 2021 Alzheimer's Disease Facts and Figures. Alzheimer's Association.
<https://www.alz.org/media/Documents/alzheimers-facts-and-figures.pdf>. Published 2021.



Facts & Figures

70%

An American turning 65 today has an almost 70% chance of requiring LTC services in their lifetimes.

20%

And of those needing care, 20% will need it for longer than five years

Source: <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>. Last modified: 02/18/2020



You may not need care,
but if you do...

how will it affect your family?



Potential impact on spouses

Emotional impacts:

- Depression
- Mourning loss of previous life

Physical challenges:

- Excess stress
- Poor sleep, increased blood pressure, weight gain or loss, headaches, etc.
- Trouble physically helping due to size difference

Financial impacts

- Potential decline in retirement assets due to paying for spouse's care
- Budget adjustments due to increased spending on long-term care monthly bills



Potential impact on adult children

Emotional impacts:

- Caregivers may suffer from increased depression and stress.
- More likely to have substance abuse or dependence, and chronic disease.
- They describe feeling frustrated, angry, drained, guilty or helpless as a result of providing care.

Physical challenges:

- Caregivers are in worse health.
- Caregivers have lower levels of self-care.

Lifestyle challenges:

- Potential for marriage strain due to amount of time taking care of parent
- Financial losses due to potentially putting career on hold
- Less time in raising their own children

Source: <https://www.caregiving.org/caregiving-in-the-us-2020>



Potential impact on siblings

Lack of model to work together

- Some families may be able to work it out while others struggle
- Siblings may have different ideas about what the parent needs

Tension and resentment — may have fights over caregiving

Sibling caregiver who lives nearby

Sibling that doesn't work or needs a place to stay

- needs expectations spelled out clearly to avoid fighting



And if you do
need care...

how will you pay for it?





Finances – three ways to pay

1

Taxpayer assistance

- Differences between Medicare and Medicaid
- Requires spending down assets and/or income in order to qualify

2

Traditional Long-term Care Insurance

- Transferring risk to an insurance company is appropriate
- Many have not purchased for many reasons

3

Pay out of pocket

- Self-funding



Impact on income

Most believe they have “plenty of assets”.

Isn't a one-time payment

Ongoing monthly bill without an exact end date.

Income to fill this gap?

Long-term care is an income problem; not an asset problem.



Impact of self-funding

Liquidate assets faster than intended

Ripple effect on other planning

Spouse with retirement lifestyle less than desirable

Leaving children with little to no inheritance

Not efficient use of tax incentives to leverage own assets

Tax-free money to help pay



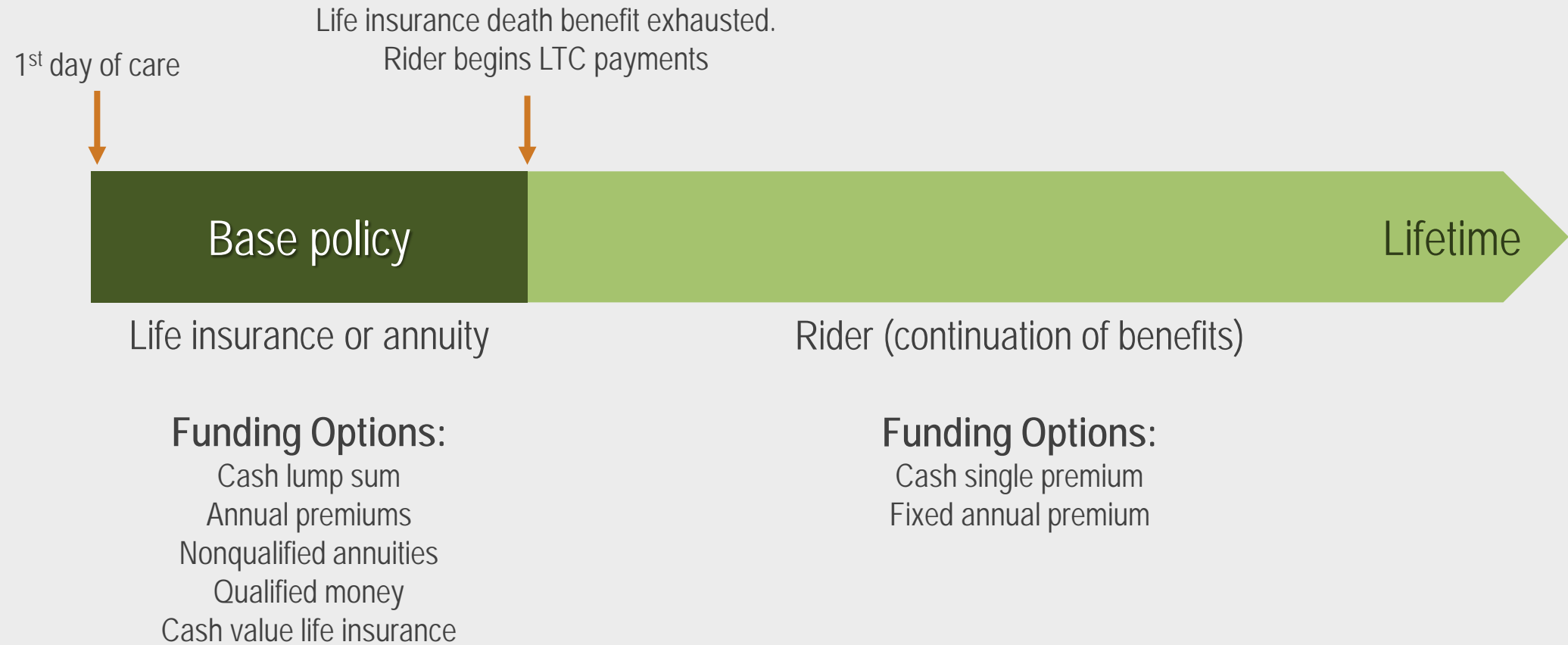
HIPAA Law of 1996

Gave tax-free use of life insurance death benefit to be used while living for qualifying long-term care expenses.

Pension Protection Act of 2006

Extended the HIPAA Law to certain annuities to be used for long-term care expenses tax-free.

How asset-based LTC works





Life Insurance hypothetical examples





Hypothetical example
Male, age 60
Female, age 60

Funding with Savings

\$150,000 single premium



\$61,404 per year EACH — lifetime LTC income to pay for care expenses

\$122,808 per year for BOTH — lifetime LTC income to pay for care expenses

Investing \$150,000 @ **40.9%** guaranteed - would generate \$61,404 for lifetime for one

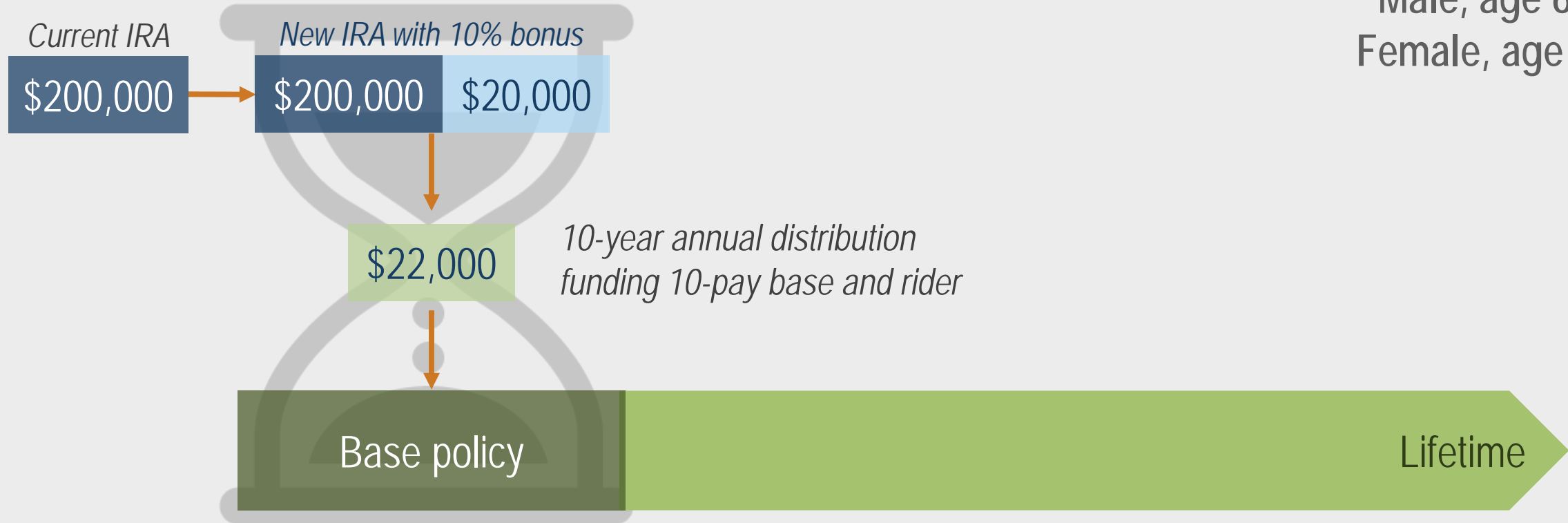
Investing \$150,000 @ **81.8%** guaranteed - would generate \$122,808 for lifetime for both

Funding with an IRA

Hypothetical example

Male, age 66

Female, age 65



\$64,944 per year EACH — Lifetime LTC income to pay for care expenses

\$129,888 per year for BOTH — Lifetime LTC income to pay for care expenses

*The Annuity Funded Asset Care policy moves money to an IRA annuity. The annuity then pays an upfront bonus that has an income rider which is 1/10th of the annuity value over 10 years. It is a bonus on an annuity and no additional premium is required.

A photograph of a paved road that splits into two paths, creating a 'fork in the road' metaphor. The road is surrounded by lush green trees and foliage. A small sign with a double-headed arrow is placed at the junction of the two paths. The text 'Fork in the road?' is overlaid in white at the top.

Fork in the road?

You have choices!

Explore your options

Whatever your plan might be, begin now....



You are only one
choice away from
changing your life...
and for those you love.





Let's explore all of your choices today!

To schedule an appointment, contact:

- Bonnie Dyar
- Bill C. Brown Associates
- 812.332.9378
- bdyar@billcbrown.com



Disclosures

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This is a solicitation of insurance. An insurance agent or insurance company will contact you. To be eligible for benefits, the covered person must be a chronically ill individual with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner. The insurance company will do limited medical underwriting to determine if an applicant(s) is/are eligible for coverage.



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