

# 10-Point Checklist: Linked Benefits

LIFE & LTC | ANNUITY & LTC

Planning for extended care is a key component of your comprehensive retirement plan. If a linked benefit long term care solution interests you, you'll want to consider these 10 factors:

- Policy Design.** LTC benefits can now be linked to either Life or Annuity policies. What are your retirement goals and how do you intend to fund the policy? *The IRS permits a tax-free exchange ("1035 Exchange") of funds from old plans to new plans in certain circumstances—ask if yours qualifies.*
- Return of Premium.** If your needs change down the road, this rider allows you to surrender your policy without forfeiting the premiums you've paid. *Check for any time limits companies place on this benefit.*
- Death Benefit.** If you never file a long term care claim, your heirs will receive your face amount (or annuity accumulation value) as a death benefit. *Should you exhaust your benefits paying for LTC services, some plans will still pay a "residual" death benefit.*
- Long Term Care.** Should you require care, how robust are the real LTC benefits and features? Do they keep you at home where you and your family desire? *Outside the ratings of the carrier, what is its LTC claims-paying history?*
- Inflation.** Like traditional LTC insurance, linked benefit policies must provide meaningful value decades in the future. Unlike LTC insurance, inflation riders can greatly reduce the leverage of your linked benefit dollar. *Be prepared to consider no inflation rider—your money may go further.*
- Waiting Periods.** Immediate access to your benefits may be affected by a deferral period, while immediate access to your funds may be affected by a surrender charge. *It pays to find out who has the most favorable policy language, since it can impact both policy cost and how much of your investment gets returned.*
- Health Discounts.** Premium allowances can save you up to 20% if you are in excellent health. *Such savings are typically only offered by carriers that utilize "full underwriting."*
- LTCI Specialist.** Many financial professionals can offer linked benefits nowadays, but only those who've made LTCI Specialty their career can address the scope of product alternatives, competitive advantages, government programs, contract language and the qualification process. *Ask about Long Term Care certifications, industry recognitions and special State Partnership training.*
- Compare.** Since LTCA's Specialists are independent, we can access multiple carriers with bias toward none. *With benefits varying as much as 40% between carriers, it pays to work with an independent shopper.*



## Claims.

Claims are the single most important reason for choosing your carrier—and your agency. It takes years to become a great **Claims Advocate**.

*There is no substitute for longevity. Ask if your agency has at least 30 years of claims advocacy experience.*

Need help? Call LTCA at 1.800.704.9233.