

HYBRIDS: ANNUITY/LONG TERM CARE INSURANCE



Hybrids, also known as linked benefits, asset based care, and combination insurance, are just that: insurance policies that combine two solutions into one, allowing dollars to do double duty. Hybrid annuity/long term care insurance (LTCi) combines a fixed deferred annuity (that grows tax-deferred) and an LTCi rider.

WHAT DO CAR ACCIDENTS, HOUSE FIRES, ALLERGY SHOTS, AND LONG TERM CARE INSURANCE HAVE IN COMMON?

We pay auto, homeowners, and health insurance without a second thought. But we don't hope for a car accident, house fire, or allergic reaction to happen, ensuring we get our money's worth from premiums. Paying for something we may never use seems to be the number one concern when considering the purchase of long term care insurance. Yet the number of people receiving LTC services increases every year because of the medical advances that allow us to live longer.

Being above average can hurt.

The pocketbook, that is. The average length of stay in a nursing home is three years.

NATIONAL AVERAGE COST OF THREE YEARS OF CARE:

2015: \$262,800

2044 Projection: \$700,000

Most people probably don't want to spend down their nest egg or rely on Medicaid (which limits where and how care is received). But they do want to ensure they get the quality care they need and guarantees that they won't outlive their savings.

The benefits.

Got \$100,000 earmarked to pay for long term care costs? Purchasing a hybrid annuity/LTCi policy with the \$100,000 (or part of it) leverages that asset, and the pool of money available for LTC benefits could immediately triple the annuity cash values.

While hybrid annuity/LTCi policies don't have all the bells and whistles of traditional LTCi policies, they do have options to choose from when designing the right protection:

- Funding: single premium or cash value from an existing annuity and/or life insurance policy (must be non-qualified funds; money previously taxed)
- Benefit amount: determined by premium and age
- Benefit period: the number of years benefits can be paid, ranging from 5 years to 11 years

The ideal hybrid annuity owner.

- Like the idea of LTCi but don't want to pay for something they may never use
- Planned to self-insure and have other assets set aside (CDs, savings, bonds)
- Have an existing annuity or cash value life insurance policy no longer needed
- Don't qualify for traditional LTCi
- Want coverage for two people under one policy
- Looking for tax-free benefits



The advisor's insurance advisor.®

YOUR ONE-STOP INSURANCE RESOURCE FOR

Term Life | Permanent Individual & Survivorship Life | Annuities | Disability | Critical Care
LTCi | Hybrid Life/LTCi | Hybrid Annuity/LTCi | Policy Reviews | Life Settlements

(we recommend low-load permanent life insurance and annuities when possible)

877-254-4429 | LLIS.com