

# Lead the long-term care conversation

Your clients are discussing long-term care. Make sure they start with you.

Americans are living longer than ever before, and with continually rising health care costs, the need for long-term care (LTC) becomes more of a “when” than an “if” situation. Long-term care planning is more than identifying a funding source. It is about building a comprehensive strategy that not only covers the cost of care services, but also helps prepare your clients’ loved ones for the tough financial, emotional and administrative decisions they may need to make on your clients’ behalf.



96% of clients surveyed agree it is **important to plan for long-term care**. But less than 10% have actually talked with a financial professional.



When clients need long-term care and do not have a **dedicated funding solution**, financial professionals estimate that the **average annual** withdrawal rate from a **retirement income portfolio jumps from 5% to 11%**.



**9 out of 10** clients surveyed believe that financial professionals should **take the lead** in discussing LTC plans.

Source: Versta Research, “2020 LTC Marketing and Thought Leadership Research, Findings from Surveys of Financial Professionals and Consumers,” Oct. 2020. <http://visit.lfg.com/MG-VRST-PPT001>.

60% of Americans we surveyed already talk to their friends and family about long-term care options, **but only 5% turn to financial professionals**.<sup>1</sup> Whether you are in the discussion or not, you will likely be one of the first calls your clients make if they experience a long-term care event.

With **98% of financial professionals** saying they’ve **had clients who have needed long-term care**,<sup>2</sup> having a comprehensive plan in place is more important than ever for your clients and their loved ones.

### Comprehensive LTC strategies include:

- A specific funding source to cover the cost of care
- Resources that help identify care preferences and available services
- Personalized and dedicated support throughout the claims process

### Aligning the opportunity

By understanding where your clients are in the planning process, and their life stage considerations, you’re able to build long-term care strategies tailored to your clients’ needs.

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# Engage your clients with a long-term care conversation

It's not about age; it's about stage.



## Meet Tim and Sue

- On-track with retirement planning
- No designated funds if they have a sudden change in health
- Do not want their children to become their caregivers

### Life stage considerations

- Children are out of the house and also may be out of college
- No longer funding 529 plan to fund education
- Mortgage is paid off
- May have recently lost their parents
- May be significant income earners

### Questions to start the conversation

- What is the plan if either of your clients experience an extended health care event?
- Which asset would they liquidate to cover a long-term care need?
- If either of them were to need care, would they rely on a family member to become their caregiver?

### Strategy for preparing for LTC expenses

Build a plan that is fully funded by the time your clients retire to protect their income stream.



## Meet Kate

- Maxes out retirement saving vehicles, such as 401k and IRA
- Has excess income to invest
- Worries about care for a parent as they age

### Life stage considerations

- Choosing to marry or stay single; and whether or not to have kids
- Balancing out career and family
- Learning about financial investing and prioritizing based on need

### Questions to start the conversation

- What financial obstacles are your clients currently preparing for?
- If a loved one experiences an LTC event, what would be the impact on their savings?
- Are they able and willing to become a caregiver?

### Strategy for preparing for LTC expenses

Build a plan that provides a lower entry funding premium point with the ability to increase payments when financial situations change.

**It's important to consider your clients' risk tolerances when discussing long-term care planning in order to select the best solution.**



## Meet Michael and Tracy

- Could self-fund if they experienced a sudden change in health
- Concerned with future tax consequences
- In control of their financial decisions

### Life stage considerations

- Funding children's/grandchildren's education
- Maxing out retirement plan options
- Looking for tax advantages, including gifting strategies
- Approaching high net worth status

### Questions to start the conversation

- What is the plan if either of your clients experience an extended health care event?
- Would they be comfortable having loved ones change their lifestyle to take care of them?
- Who would they want to be the decision maker if they had an extended health care event?

### Strategy for preparing for LTC expenses

Create tax-efficiency with a long-term care plan that includes favorable tax advantages.



## Meet Jack

- Financially comfortable in retirement
- Willing and able to reposition assets
- Focused on passing wealth along to future generations

### Life stage considerations

- Has grandchildren he wants to spend time with
- Will need to start taking required minimum distributions (RMDs)
- Focused on taking income from IRAs and annuities
- Approaching mass affluent status

### Questions to start the conversation

- What would happen to your clients' legacies if they needed care?
- Would they be comfortable having loved ones change their lifestyle to take care of them?
- Would they be willing to reposition an asset to help preserve their wealth from the cost of an extended health care event?

### Strategy for preparing for LTC expenses

Avoid withdrawal rate risk by funding a plan with a short-pay premium schedule.

**It's important to consider your clients' risk tolerances when discussing long-term care planning in order to select the best solution.**

## Backed by a company with more than a century of financial stability

With over 30 years of experience in developing hybrid long-term care solutions, Lincoln remains steadfastly committed to equipping our customers with the strategies they need to accomplish their goals.



For more information about Lincoln *MoneyGuard*<sup>®</sup> solutions, contact your Lincoln representative.

<sup>1</sup> Lincoln Financial, "Planning for Long Term Care, 2019," <https://newsroom.lfg.com/document-library/importance-planning-long-term-care>, July 2019.

<sup>2</sup> VerstaResearch, "2020 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," August 2020. <http://visit.lfg.com/MG-VRST-PPT001>. For a printed copy, call 877-ASK-LINCOLN.

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