

Paying for long-term care:

Which asset would you choose?



You've worked hard to save for retirement and plan for your future. But what would happen if you or someone you love experienced an extended health care event? Could you cover the impact of unexpected long-term care expenses, and which asset would you use to pay for it?

Repositioning assets to pay for care

If you're like most people, over your lifetime, you've accumulated a variety of assets. These assets have a unique purpose in developing your financial and long-term care strategy, and typically fit into one of five categories:

Asset category	General purpose	Considerations ¹	Examples
Qualified funds	Long-term growth for retirement income	<ul style="list-style-type: none">• May be taxable on withdrawal• Early withdrawal penalties may apply prior to age 59½	<ul style="list-style-type: none">• 401(k) or 403(b)• IRA or Roth IRA• Employer profit-sharing plans
Nonqualified funds	Long-term growth for retirement income	<ul style="list-style-type: none">• Taxation varies by product or investment• May be taxed as it grows or include taxable capital gains	<ul style="list-style-type: none">• Annuities• Stocks, bonds or mutual funds• Real Estate Investment Trusts (REITs)
Life insurance	Provides a death benefit to beneficiaries	<ul style="list-style-type: none">• May accumulate cash value to provide supplemental income or cover expenses	<ul style="list-style-type: none">• Whole life• Universal life• Variable universal life
Tangible assets	Physical assets a person owns	<ul style="list-style-type: none">• May be taxable upon sale• Liquidity based on market conditions	<ul style="list-style-type: none">• Real estate, such as house or cabin• Boat• Jewelry or furniture• Car
Cash equivalents	Fixed, low-interest accounts used for savings or a "rainy day"	<ul style="list-style-type: none">• Taxed as the asset grows• Generally accessible with minimal restrictions	<ul style="list-style-type: none">• Savings account• Money market• Treasury bill• Certificate of deposit (CD)

Which asset would you choose?

If you needed money today to pay for unexpected long-term care expenses, which asset(s) would you use? And with the average private nursing home room costing \$7,698 per month and over \$92,000 per year,² how long could that asset last?

Your "rainy day" account, or cash equivalents, may be the first place you look. Although these assets may cover some – or even all – of the long-term care expenses you may incur, how would using these assets impact your other finances?

What if

you could protect your financial future and safeguard other assets at the same time?

¹ Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

² Cost of Care, U.S. Department of Health and Human Services, <https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>, October 10, 2017. 3% inflation assumed.

Potential solution

Katherine and Michael choose the single-pay premium payment option and decide to reposition \$100,000 of their cash equivalents to purchase a SecureCare policy for Katherine. This will help protect more of their portfolio from potentially unfavorable liquidation in the event Katherine needs to receive long-term care.

Katherine decides she wants her policy to provide long-term care benefits for six years. In addition, she includes the 3 percent compound interest Long-Term Care Inflation Protection Agreement, ensuring the policy's benefits will increase over time.

Katherine's SecureCare policy benefits

If Katherine wants her money back, after five years, she will receive:



\$100,000 premium refund



If Katherine wants her money back:
She can request a complete premium refund beginning in the sixth policy year.⁴

When Katherine dies, her beneficiaries will receive:



\$100,000 death benefit



If she dies prior to needing care:
Her beneficiaries will receive a guaranteed death benefit of \$100,000.

Even if she accelerates her entire death benefit to pay for long-term care expenses: Katherine's beneficiaries will still receive the guaranteed minimum death benefit of \$10,000 or 10 percent of the policy's face amount, whichever is less.

If Katherine needs long-term care, at age 80 she may receive:



\$534,185 total LTC benefit

\$6,882 monthly maximum benefit



If she needs long-term care at age 80:
After meeting the policy's benefit requirements, Katherine will receive the maximum monthly long-term care benefit of \$6,882. The monthly benefit increases every year by the 3 percent compound inflation option she chose, equaling \$534,185 in total benefits.

This is a hypothetical example of a policy underwritten as Female, 62 years old, Non-tobacco Couples Discount, 3% compound inflation option, for illustrative purposes only.

⁴ Upon surrender, the policy owner will receive the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to a return of premium vesting schedule. Policies that are fully vested are eligible for a full return of all premiums paid.



Put your assets to work for your future!

You too can put your assets to work for you with a SecureCare Universal Life policy. Preserve assets for your loved ones and protect your retirement with flexibility for the future.

Talk to your financial professional about how SecureCare can help you secure your care, your assets and your future now.

Your alternative: SecureCare

Securian Financial's SecureCare Universal Life Insurance (SecureCare) provides a solution for individuals and couples who want choice, flexibility and guarantees³ in the event of a long-term care need. It's for people who generally have a source of retirement income to cover living expenses, such as a pension or other assets, but also have funds set aside "just in case" they need care.

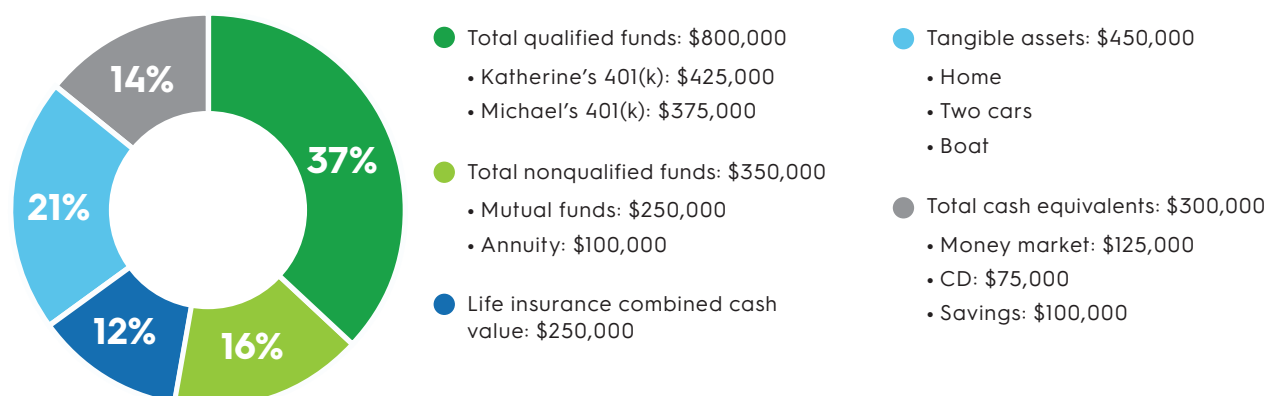
Hypothetical scenario:

Michael and Katherine help secure their future

Katherine and Michael are married. They are both 62 years old, recently retired and are receiving income from work pensions, 401(k) plans and Social Security.

- Michael and Katherine diligently saved during their working years and have accumulated enough assets to provide a comfortable income.
- Michael's employer provided a group long-term care insurance policy, which he kept when he retired. However, Katherine's mother had Alzheimer's Disease, and they are concerned about what might happen if Katherine needs care.

ASSETS KATHERINE AND MICHAEL COULD USE TO HELP PAY FOR LONG-TERM CARE



³ Guarantees are based on the financial strength and claims-paying ability of the issuing insurance company.

These are general marketing materials and, accordingly, should not be viewed as a recommendation that any particular product or feature is appropriate or suitable for any particular individual. These materials are based on hypothetical scenarios and are not designed for any particular individual or group of individuals (for example, any demographic group by age or occupation). It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are looking for investment advice or recommendations, you should contact your financial professional.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

The purpose of this material is the solicitation of insurance. A financial professional may contact you.

This information is meant to help you understand the SecureCare policy, not as a means to compare with other products. The amount of benefits provided will depend upon the benefits selected and the charges will vary as such. The following provisions may not apply or may vary depending on the state in which you live at time of policy issue. Please refer to your state's Outline of Coverage for the exact language in your state.

The Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Benefits Agreement are tax qualified long-term care agreements that cover care such as nursing care, home and community based care, and informal care as defined in these agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide federally tax qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under this agreement may be taxable.

The optional Long-Term Care Inflation Protection Agreement is available with 3% simple interest, 3% compound interest, 5% simple interest or 5% compound interest.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment. Please consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

EXCLUSIONS AND LIMITATIONS

Eligibility for long-term care benefits includes satisfying a 90-day elimination period. This is a period of time (90 days) during which no long-term care benefits are payable following the date the insured is determined to be eligible for benefits. You are not eligible to receive benefits if your long-term care service needs are caused directly or indirectly by, result in whole or in part, from or during, or there is contribution from:

- alcoholism or drug addiction; or
- war or any act of war, while the insured is serving in the military, naval or air forces of any country at war, whether declared or undeclared; or
- active service in the armed forces or units auxiliary thereto; or
- the insured's active participation in a riot, insurrection or terrorist activity; or
- committing or attempting to commit a felony; or
- any attempt at suicide, or intentionally self-inflicted injury, while sane or insane.

PRE-EXISTING CONDITION LIMITATIONS

Pre-existing condition limitations refers to any condition or disease for which the insured received medical advice or treatment within six (6) months preceding the effective date of this policy for that same condition or disease or a related condition or disease. There does not need to be a specific diagnosis for the condition or disease for it to be considered a pre-existing condition. We will not pay benefits for qualified long-term care services needed in total or in part from a pre-existing condition or disease which is not disclosed in the application. Qualified long-term care services received by the insured for a pre-existing condition during the first six (6) months that this policy is in force will not be counted toward the satisfaction of the elimination period.

Qualified long-term care services received by the insured for a pre-existing condition during the first six (6) months that this policy is in force will not be counted toward the satisfaction of the elimination period.

SecureCare may not be available in all states. Product features, including limitations and exclusions, may vary by state. For costs and further details of coverage, including the terms and conditions under which the policy may be continued in force, contact your agent/representative.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

SecureCare may not cover all of the costs associated with long-term care or terminal illness that the insured incurs. This product is generally not subject to health insurance requirements. This product is not a state-approved Partnership for Long Term Care Program product, and is not a Medicare Supplement policy. Receipt of a long-term care or terminal illness benefit payment under this product may adversely affect eligibility for Medicaid or other government benefits or entitlements.

POLICY FORM NUMBERS

ICC17-20103; Acceleration for Long-Term Care Agreement ICC17-20111; Extension of Long-Term Care Benefits Agreement ICC17-20112; Long-Term Care Inflation Protection Agreement ICC17-20113.

INSURANCE PRODUCTS ARE ISSUED BY MINNESOTA LIFE INSURANCE COMPANY or Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates.

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