



Long Term Care Summary for Valued Client

Presented By:

Valmark Advisor

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This illustrator is designed to be educational in nature and not intended to provide specific investment, legal, tax, or accounting advice. Each variable should be closely considered based on each individual's unique time horizon, investment objective, and risk tolerance.

LONG TERM CARE SUMMARY

INTRODUCTION TO LONG TERM CARE

What is long term care? (LTC)

Custodial care received in a nursing home, an assisted living facility, or at home when you need:

Help with two or more Activities of Daily Living

- Dressing
- Eating
- Transferring
- Contenance
- Toileting
- Bathing

OR

Supervision due to Cognitive Impairment

- Alzheimer's
- Stroke

Common reasons people need LTC:

- Illness: Cancer, Stroke, or Heart disease
- Injury: Bone fracture or Spinal cord injuries
- Aging: Natural aging, Alzheimer's, or Dementia

What is the probability of needing LTC?

7 out of 10 sixty-five year olds will need some type of LTC services during their lifetime¹.



If I have a LTC event, what age might an event occur?

The average LTC claim is made at age 83, although LTC events can happen at any time².



For claims lasting more than one year, the average LTC claim lasts 3.9 years.³

How Caregiving Can Impact Family Members And Loved Ones⁴



46%

of caregivers said the long term care event negatively affected their health and well-being



70%

of caregivers said they had to take away time from work



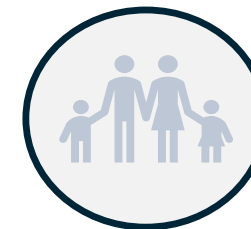
61%

of families are helping to cover the cost of situations where professional care is received at home



52%

of caregivers did not feel qualified to provide physical care



50%

of caregivers report having less time for their spouse/partner, their children, and themselves

LONG TERM CARE SUMMARY

COST OF CARE AND FUNDING OPTIONS

AVERAGE COST OF CARE: Ohio

Current Average Costs		Projected Costs at Age 83		Hypothetical Claim at Age 83		
Type of Care	Monthly Cost ⁵	Type of Care	Monthly Cost ⁶	Type of Care	Months of Care	Total Cost
Home Health Care:	\$4,703	Home Health Care:	\$14,461	Home Health Care:	0	\$0
Assisted Living:	\$4,481	Assisted Living:	\$13,778	Assisted Living:	0	\$0
Nursing Home:	\$8,459	Nursing Home:	\$26,010	Nursing Home:	48	\$1,248,460
				Total:	48	\$1,248,460

In order to 'self-fund' you will need to set aside a lump sum of \$406,032 or annual savings of \$17,526.*

UNDERSTANDING YOUR OPTIONS

Self-Funding	Traditional LTC	Hybrid Life/LTC	Life Insurance w/Living Benefits Rider
<p>Benefits</p> <ul style="list-style-type: none"> + No medical exam required + Maximum control and liquidity <p>Drawbacks</p> <ul style="list-style-type: none"> - No leverage on assets - Relies on account performance - Often insufficient for long-lasting LTC events - Vulnerable to reduced buying power due to inflation - Liquidating funds may cause tax consequences <p>Individual Profile</p> <ul style="list-style-type: none"> • Desires maximum control • Skeptical of need for insurance coverage • Concerns about flexibility and freedom are most important 	<p>Benefits</p> <ul style="list-style-type: none"> + Generally the most affordable + Inflation protection available + Offers shared care benefit <p>Drawbacks</p> <ul style="list-style-type: none"> - Premiums are not guaranteed and are subject to rate increases - Generally lifetime premiums - Have no tangible cash value - "Use it or Lose it" (no benefits are paid if the insured does not have an LTC event) <p>Individual Profile</p> <ul style="list-style-type: none"> • Seeks most affordable option • Currently has sufficient life insurance coverage in place 	<p>Benefits</p> <ul style="list-style-type: none"> + Guaranteed premiums + Guaranteed liquidity + Flexibility - provides LTC benefits, death benefit, or return of premiums + Inflation protection available <p>Drawbacks</p> <ul style="list-style-type: none"> - Requires limited-pay design - No shared care benefit - Death benefit typically depleted within 2-3 years on claim <p>Individual Profile</p> <ul style="list-style-type: none"> • Desires the highest available leverage with respect to guaranteed premiums • Does not necessarily need additional death benefit protection, but is concerned about paying for and never receiving any benefit 	<p>Benefits</p> <ul style="list-style-type: none"> + Guaranteed premiums + Guaranteed death benefit + Potential for tangible cash value + Ability to receive reduced death benefit after LTC claim + Face amount received as living benefit and/or death benefit <p>Drawbacks</p> <ul style="list-style-type: none"> - No inflation protection - No shared care benefit - Receipt of LTC benefits reduces the death benefit <p>Individual Profile</p> <ul style="list-style-type: none"> • Has a need for additional life insurance protection and an interest or desire to address LTC coverage • Prefers both life and LTC insurance needs within a single solution

* Self-fund figures assume a net investment return of 3.00% net of tax and expenses annually from now until the hypothetical claim takes place.

LONG TERM CARE SUMMARY

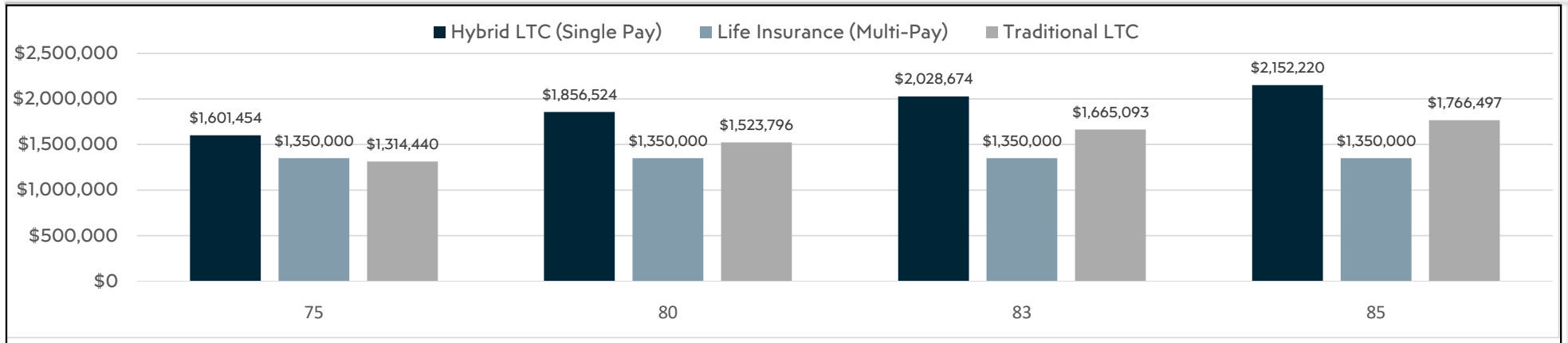
SUMMARY OF OPTIONS

Prepared For: Valued Client
Age: 45
Prepared On: 12/16/2022

ESTIMATED COST OF COVERAGE

Product	Death Benefit (Initial benefit)	Premium	Cumulative Premiums	Living Benefits			
				Monthly Benefit	Benefit Duration	Inflation (Comp)	Total Pool ⁸
Hybrid LTC (Single Pay)	\$291,330	\$131,029 1 Year	\$131,029	Today: \$8,500 Age 83: \$26,136	72 Months	3% Compound	Today: \$659,778 Age 83: \$2,028,674
Life Insurance (Multi-Pay)	\$1,350,000	\$29,133 10 Years	\$291,330	Today: \$27,000 Age 83: \$27,000	50 Months	No Inflation	Today: \$1,350,000 Age 83: \$1,350,000
Traditional LTC	None	\$3,959 All Years	\$150,442	Today: \$8,500 Age 83: \$26,136	60 Months	3% Compound	Today: \$541,532 Age 83: \$1,665,093

TOTAL POOL OF LIVING BENEFITS



LONG TERM CARE SUMMARY

IMPACT OF THE DURATION OF CLAIM

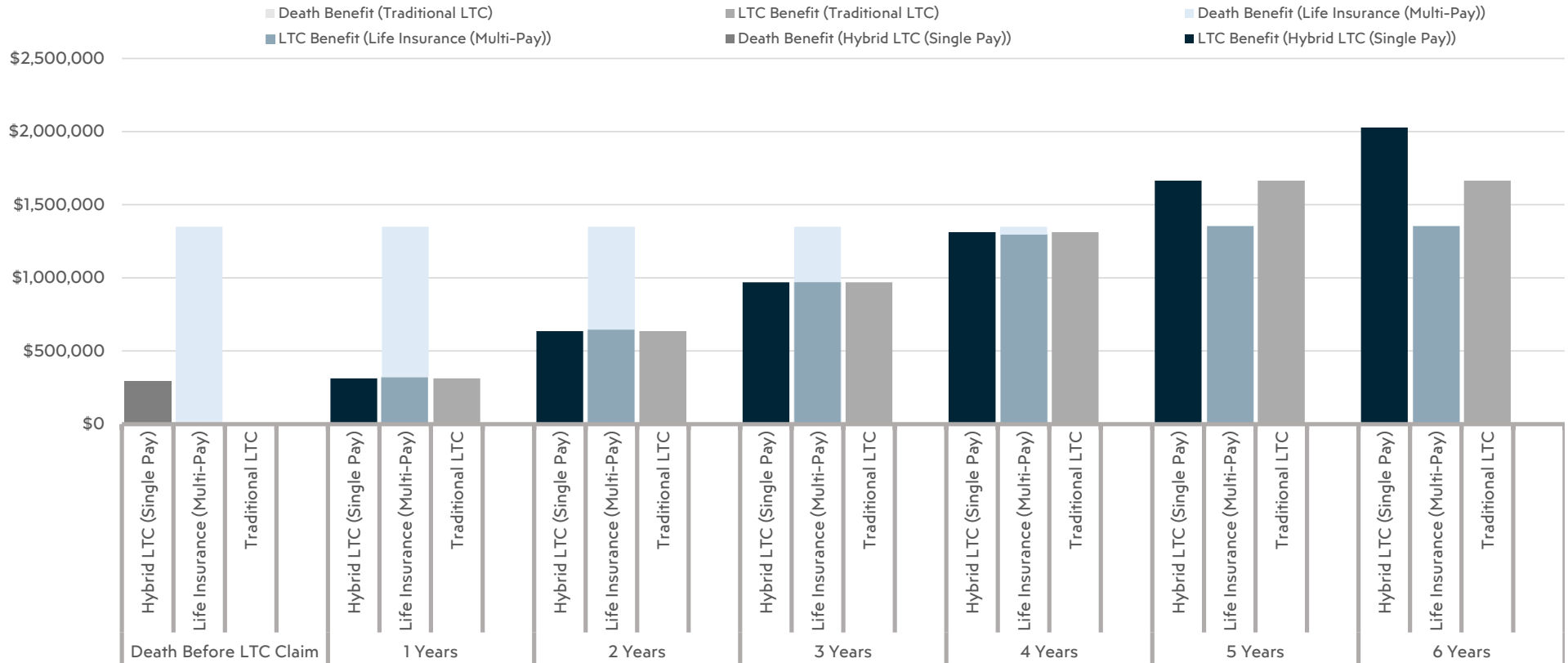
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The chart below illustrates the benefits received from both living benefits and death benefits from each product type, based on the duration of the long term care claim, beginning at age 83.

IMPACT OF THE DURATION OF CLAIM



92% of all Long Term Care Insurance claims are for **3 years or less.**³

4.5% of claimants will need Long Term Care for **more than 6 years.**³

Example of a 3-Year Claim
(Living Benefit + Death Benefit = Total Benefit)

Hybrid LTC	\$969,393	+	\$0	=	\$969,393
Life Insurance	\$972,000	+	\$378,000	=	\$1,350,000
Traditional LTC	\$969,393	+	\$0	=	\$969,393

Disclosures

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All Assumptions in this output are hypothetical in nature:

Male	LTC event beginning at age 83
Current Age: 45	Type of Facility: Customized
Risk Class: PNT	Assumed annual inflation: 3%

References:

- 1.) Genworth Cost of Care Survey (2021) - Sourced from <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>
- 2.) American Association for Long-Term Care Insurance, 2021 LTCi Sourcebook - <https://www.aaltci.org/long-term-care-insurance/learning-center/lcfacts-2021.php>
- 3.) LTC Tree (2018) - Sourced from <https://www.ltcree.com/long-term-care-statistics/>
- 4.) Genworth (2018) - How caregiving impacts families, communities and society
- 5.) Genworth Cost of Care Survey (2021) - Sourced from <https://www.genworth.com/aging-and-you/finances/cost-of-care.html> based on client's state.
- 6.) Projected costs assume an annual inflation rate of 3%
- 7.) Nursing Home costs reflect Private Room care.
- 8.) Total benefit is a projected amount to cover all, or a percentage of, an estimated future cost of long term care. This amount is rounded for illustrative purposes.

Guarantees are based on the claims-paying ability of the issuing company.

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130 Springside Drive, Akron, Ohio 44333-2431 - 1-800-765-5201