

Protecting dreams and expanding options

Staying on track and in control during life's unexpected turns

Issued by Forethought Life Insurance Company



Protection
Planning Guide

This is a solicitation of long-term care insurance by **Forethought Life Insurance Company** and an agent/insurance producer may contact you.



Is “do I have my assets and my family protected?” the only question?

When considering financial protection, most people think about insuring things like their homes, their cars and maybe even their valuables. And they also spend time and money protecting their families if anyone needs medical treatment or in the event of death.

But there's another, important question:

If something unexpected happens, will my retirement dreams stay on track?

That's the question this planning guide is meant to help you address.

When planning for retirement, we often think about protecting our assets from market volatility, taxes or inflation, but there's also an increasing need to consider the potential effect of long-term care costs. There's a high likelihood that you'll need some sort of long-term care in your life. LTC can be expensive, and if you don't have an adequate strategy to cover such costs, your assets could be rapidly depleted.



LTC includes a wide range of health, personal care, and supportive services for people limited by:

- **A chronic illness** such as asthma
- **An injury** like a broken hip
- **A physical, cognitive or mental disability** like Alzheimer's

People rely on LTC for normal activities of daily living that they simply can't do for themselves including:

- Help with eating, dressing or bathing
- Housework
- Physical therapy following an injury

If you don't have a strategy in place for your potential LTC needs, the money you set aside in a savings or retirement account could quickly evaporate and that could limit your options. The cost of LTC, which can take place in the home, at an assisted living facility or nursing home, can add up: A semi-private nursing home room can cost nearly \$75,000 per year, and even a home health aide could cost more than \$30,000 per year.² **Should life take an unexpected turn, consider expanding your definition of "protection" to:**

- Help safeguard your retirement assets
- Give you and your spouse more control over the type of care you may receive.

Typical annual LTC costs:²

- **\$74,820:** Semi-private nursing home room
- **\$27,740:** Homemaker services (four hours/day)
- **\$24,455:** Adult day care center

¹ American Association for Long Term Care Insurance. www.aaltci.com, 2012.

² Cost of Care," U.S. Department of Health and Human Services, <https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html> as of Feb 21, 2017. Costs are based on 12, 30-day monthly periods. Based on average U.S. costs from 2010.

How do you plan for your long-term care needs?

Consider the following

Insurance gaps

Review your current health insurance plan to see what forms of LTC may be covered. Be aware that many health plans do not offer LTC protection.

Your assets

Do you have assets in addition to your retirement savings that you can use for any unexpected LTC needs? These may include:

- A CD or any savings³
- A fixed annuity
- A variable annuity
- Stocks
- Bonds
- Mutual funds
- IRA/401(k)
- Real estate
- Life insurance
- LTC insurance

Medicaid

This program may help cover LTC costs, but you need to have limited income and financial assets to qualify.

LTC insurance

This can help you and your spouse protect your retirement savings and give you more control over the type of LTC you may receive. But note that LTC insurance may be expensive, particularly if you never need to use it. Also, any unused LTC insurance assets may not pass on to your beneficiaries – in other words, if you don't use it, your beneficiaries might lose it.

Alternatives

There are fixed annuity products with LTC benefits that can help you maximize your LTC dollars, give you and your spouse more control over the type of care you'll receive, and pass on any remaining contract value to your beneficiaries as a death benefit.



Being **healthy** may lead to **LTC**

It may sound counterintuitive, but if you and your spouse keep yourselves in good shape, the likelihood of one of you needing LTC may be greater. The reason is that when you take better care of yourself, you reduce your risks of cancer and heart disease – two conditions that may shorten the life expectancy of people who aren't as healthy.⁴

³ There are a multitude of different products that may be accessed for retirement and long-term care needs. For example, stocks, bonds, mutual funds and variable annuities are securities and have different risk/reward characteristics, liquidity properties and tax consequences, particularly when compared to products such as CDs, savings accounts, money market accounts and fixed annuities. Certificates of Deposit (CDs) are bank products that are FDIC insured. Money Market funds are securities and are not FDIC insured and although these funds seek to preserve the value of an investment at \$1.00 per share, there is no guarantee they will maintain this value.

⁴ www.thebalance.com/pros-and-cons-of-long-term-care-insurance-2388725



Start the conversation

To help protect your retirement assets and give you more control should you ever need long-term care (LTC), start the conversation with your financial professional today.

Questions you might want to consider include

- Does it make sense for me to self-fund my potential LTC needs?
- What happens if I buy LTC insurance and never use it?
- Can you help me add up all of my available resources for LTC spending?
- How might I avoid using my retirement assets for LTC needs?
- What are my options to help me pay for LTC needs?

Your financial professional can work with you to help address your LTC concerns and design a retirement asset protection strategy personalized to your needs.

Global Atlantic Financial Group

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Global Atlantic was founded at Goldman Sachs in 2004 and separated as an independent company in 2013. Its success is driven by a unique heritage that combines deep product and distribution knowledge with leading investment and risk management, alongside a strong financial foundation.

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