

# Find the Right Fit – Hybrid LTC

## REVENUE GENERATING SALES IDEA



**Gallagher**

Insurance | Risk Management | Consulting

The majority of people will need long-term care (LTC) at some point during their lives, and the costs can be significant. Hybrid LTC offers your clients an efficient way to plan for these potential expenses. The included LTC coverage carries a death benefit that protects premiums paid from loss if LTC benefits are not needed.

### Four potential client profiles that may be a good fit for Hybrid LTC

#### 1) Clients with cash or other “sleeping assets,” such as:

- CDs or bonds that are maturing
- Proceeds from selling a business
- Funds from downsizing/selling a home
- A recent inheritance

#### Concern:

The impact an LTC event could have on their spouse, family and finances

#### Payment type:

Single-pay to five-pay premiums

#### 3) Retirees with IRAs, annuities or income sources to reposition:

- Required minimum distributions (RMDs) from IRAs (after-tax amount) not needed for income purposes
- Annuities not needed for retirement income purposes
- Social Security benefits not needed for living expenses

#### Concern:

Protecting assets/income from depletion  
Reducing LTC dependence on family

#### Payment type:

Five-pay or 10-pay premiums

#### 2) Clients closing in on retirement who are:

- In the peak of earning capacity with excess income available for premiums
- Preferably age 59½ or older so they can access qualified money (without 10% penalty tax) not needed for retirement income

#### Concern:

The financial and lifestyle impact that LTC expenses could have in retirement and for a surviving spouse.

#### Payment type:

Five-pay or 10-pay premiums. Pay to attained age 100.

#### 4) High earners, not rich yet (HENRYs) who:

- Have excess annual liquidity
- May have experienced providing care for a parent or grandparent
- See the value of buying earlier rather than later
- Would like to insure their parent(s) for LTC to protect their own savings and retirement assets

#### Concern:

Protecting assets/income from depletion  
Reducing LTC dependence on family

#### Payment type:

Five-pay or 10-pay premiums  
Pay to attained age 65. Pay to attained age 100.

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