



As individuals transition into retirement, one of the greatest threats to their financial security isn’t market volatility; it’s the potential cost of long-term care. With private room expenses now averaging over \$100,000 annually, an extended care event can quickly erode even well-funded retirement portfolios. Without proper planning, the financial and emotional burden often falls on a spouse or loved ones, jeopardizing lifestyle and legacy goals. Incorporating long-term care coverage, such as an LTC rider, helps safeguard assets, preserve income, and ensure that retirement savings remain focused on enjoying life rather than paying for care.

CLIENT PROFILE

- John (65) and Mary (63)-Just retired
- 1.2M retirement portfolio (IRA, 401(k), taxable savings)
- **Income:** Social Security + RMDs cover 80% of expenses
- **Concerns:** Rising healthcare costs, potential LTC needs, and leaving a legacy for their children.

CHALLENGE WITHOUT LTC COVERAGE

- Average annual LTC cost (private room): \$110,000+.
- 3 years of care = \$330,000 out of pocket.
- Nearly 30% of the portfolio is depleted, leaving the spouse vulnerable.
- Legacy for children reduced significantly

SOLUTION WITH AN LTC RIDER

- \$500,000 permanent life insurance policy with LTC rider.
- Premium: \$12,000 annually, funded from IRA withdrawals.
- If care is needed: Accelerated death benefit covers LTC expenses tax-free.
- If not: Full death benefit passes to Mary/children

SCENARIO	WITHOUT LTC RIDER	WITH LTC RIDER
LTC Event (3 yrs, \$330k)	Paid from retirement assets	Covered by LTC rider
Impact on Portfolio	Depletes 30% of \$1.2M	Portfolio remains intact
Impact on Spouse	Mary will need to reduce lifestyle	Mary maintains financial security
Legacy for Children	Significantly reduced	Preserved or enhanced

KEY TAKEAWAY

A LTC rider can transform a potential wealth-draining event into a wealth-preserving strategy by protecting retirement assets, providing tax-efficient benefits, and ensuring financial security for both spouses and their heirs.

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