

Long Term Care: Product Type Comparisons



	Traditional LTC Insurance	Hybrid Life Insurance with LTC	Life Insurance with LTC Rider	Annuity with LTC Rider
Highlights	LTC insurance policy providing LTC benefits (no death benefit or surrender value)	<ul style="list-style-type: none"> Life insurance policy which can accelerate the death benefit for LTC expenses; Death benefit is reduced by LTC benefits paid out. Base policy is has a lower death benefit to premium ratio, focusing on LTC benefits and return of premium feature Simplified underwriting process 	<ul style="list-style-type: none"> Life insurance policy which can accelerate the death benefit for LTC expenses; Death benefit is reduced by LTC benefits paid out Base policy is a traditional life policy with high death benefit to premium ratio 	<ul style="list-style-type: none"> Annuity policy which accelerates annuity value and additional LTC benefits ("extension of benefits rider") each month for LTC Unused cash value payable to the beneficiaries upon death
If your client needs long term care	Policy provides a daily/ monthly benefit for the benefit period selected	Policy provides a monthly benefit as a percentage of the death benefit until the death benefit is exhausted, or for life if that option is purchased	Policy provides a monthly benefit as a percentage of the death benefit until the death benefit is exhausted	Policy provides a monthly benefit until the annuity value and additional rider benefits are exhausted
If your client needs cash	No cash value	Policy cash values are available as withdrawals or loans, reducing the death benefit and the LTC benefit. Policy also guarantees the return of premium if surrendered	Policy cash values are available as withdrawals or loans, reducing the death benefit and the LTC benefit	Annuity distributions can be taken, reducing the LTC benefits available
If your client never use the LTC benefit, what happens?	No benefits other than LTC are provided	Heirs get 100% of the death benefit initially purchased tax free, less cash withdrawn for any purpose	Heirs get 100% of the death benefit initially purchased tax free, less cash withdrawn for any purpose	Heirs get the annuity value less any distribution and less the income tax on gain
How can the premium be paid?	Single pay, 10 pay, 20 pay or life pay	Single pay through 10 years, 20 pay or life pay; most commonly single or short pay	Single pay, life pay or any term of payment desired	Single pay, two pay or four pay
Can the premium be guaranteed?	Guaranteed premium contracts not available	Guaranteed contracts are available	Guaranteed contracts are available	Guaranteed contracts are available
Are premiums tax deductible?	May be tax deductible for C or S corporate, self employed or for itemized medical expenses	LTC extension of benefit riders may be tax deductible No deduction of life premium	No	No; on annuity premium Yes; some LTC extension of benefit riders may be tax deductible
Are the benefits tax free?	Yes	Yes; LTC and death benefit (may need LTC receipts)	Yes; LTC and death benefit (may need LTC receipts)	Yes
Can the benefits be inflation protected?	Yes	Yes	No; doesn't offer true guaranteed inflation benefit. May be structured to increase with death benefit.	Yes
Type of LTC Benefit	Expense reimbursement or partial indemnity benefit optional	Expense reimbursement, traditional indemnity (indemnity pays the entire monthly benefit regardless of actual expenses)	Expense reimbursement, cash or traditional indemnity (indemnity pays the entire monthly benefit regardless of actual expenses)	Generally, expense reimbursement
Minimum and Maximum Benefits Available	Benefits from \$1,500 to \$15,000 per month. Benefit periods range from one year to lifetime	Death benefits of \$50,000 to \$1.5M available. Benefit periods range from two years to lifetime	Any death benefit up to \$5M can be accelerated between 1% to 4% per month for LTC	Deposits from \$10,000 to \$500,000. Benefit periods range from two years to lifetime
Client Profile	<ul style="list-style-type: none"> Clients who desire lowest premium for maximum LTC benefit Client who desire "partnership" asset protection Clients that may be able to deduct the premiums Client looking for flexibility in plan design 	<ul style="list-style-type: none"> Clients looking to reposition an asset for LTC protection (single pay) Clients focused on LTC protection but still want some death benefit if they do not use LTC Clients looking for return of premium feature 	<ul style="list-style-type: none"> Clients who want some LTC protection but want to get as much as possible to heirs Clients looking for premium funding flexibility Clients looking to retain cash value 	<ul style="list-style-type: none"> Clients looking for return of premium feature Client that may have been declined for traditional LTC or life insurance Clients looking to reposition an asset for LTC leverage Client looking to exchange a non-qualified annuity with gains for a tax free payment in the event or an LTC claim

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Pricing Details:*	Traditional LTC Insurance	Hybrid Life Insurance with LTC	Life Insurance with LTC Rider	Annuity with LTC Rider
LTC Benefit Amount	Daily or monthly	Monthly	Monthly	Monthly
Initial Death Benefit	None	Amount and guarantees	Amount and guarantees	None, annuity value only
LTC Benefit Period	Number of years or lifetime	Number of years or lifetime	Number of years	Number of years or lifetime
Type of LTC Coverage	Type and how administered	Type and how administered	Type and how administered	Type and how administered
Elimination Period	Facility, Home Care and Type	Facility, Home Care and Type	Facility, Home Care and Type	Facility, Home Care and Type
Residual Death Benefit (if LTC is used)	None	Amount and guarantees	Amount and guarantees	Annuity value only
Cash Value	None	At a selected year; guaranteed or projected	At a selected year; guaranteed or projected	Annuity value only
Inflation Protection	Inclusion and terms	Inclusion and terms	Not usually available	Inclusion and terms
Premium Guarantees	Not available	Vary by carrier	Vary by carrier	Vary by carrier

*Do not compare product pricing unless these variables are included in the analysis.

Sales Details:	Traditional LTC Insurance	Hybrid Life Insurance with LTC	Life Insurance with LTC Rider	Annuity with LTC Rider
Products	All traditional products - comprehensive policies	Whole Life or Universal Life	Whole Life or Universal Life	Annuity with LTC Rider
LTCi CE Certification Required ¹	Yes	Yes	Yes	Yes
Partnership Qualified	Yes - plan design based and where state approved	No	No	No
Issue Age	18-79 (varies by carrier)	Generally, 40-80	18-80	Generally, 40-85

¹ Some states require a separate LTC license in addition to life and health.

Contact **DPL Insurance Solutions** at **888.327.0049**.



All guarantees are subject to the claims paying ability of the issuing insurer. Details of product used available upon request.

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