

## CHRONIC CARE RIDER VS LONG TERM CARE RIDER

RESEARCH AS OF JUNE 20, 2021

As you know, long term care planning should be a big part of your overall retirement plan and without quality coverage a substantial part of your assets can be wiped out if you or your family should need care. We believe that this can be catastrophic and with healthy clients can be solved for “pennies on the dollar.” Many of our wealthy clients, who could “self-insure” this highly likely potential loss, and yet they purchase more policies than most people, because they understand the concept of LEVERAGE. This is where one dollar can equal 8-20 dollars at time of claim.

We also believe that a Chronic Care Rider with a high rated life insurance company is more flexible for the consumer if the definition for the claim is the same or better. Most chronic illness riders are an advance of the inevitable death benefit of a life insurance policy and are therefore tax free. Please make sure the company has a Lien Method (loan against the death benefit) vs discounted life expectancy method. Inquire for more detail here.

## LTC vs CHRONIC ILLNESS RIDER COMPARISON

QUESTION	LTC POLICY	LTC RIDER	CHRONIC CARE RIDER
Can the company raise premiums later?	YES	NO	NO
Do the premiums continue until a claim?	YES	NO or YES*	NO or YES*
Does the policy also have a death benefit?	NO	YES	YES
Does the policy have Cash Value (equity)?	NO	YES	YES
Can I get annual benefits vs monthly?	NO	NO	YES**
Can I skip payments if needed?	NO	Possibly	Possibly

\*We like to design policies that have no more premiums, yet lifetime coverage within 10-20 years or even better design a LIRP (life insurance retirement plan) with TAX-FREE Retirement as part of your overall plan. To plan this properly, you should have \$600k to \$800k accessible for LTC, which will be the average cost by the year 2030 and with high inflation could be twice potential cost that by 2040.

\*\*One reason Washington Cares Act does not like Chronic Care Riders is that the benefit can be advanced in tax free annual lump sums, where LTC and LTC riders must be paid monthly. This lump sum gives you many more choices and flexibility of care when needed the most.

We have staffed up to help you. For a free analysis of your plan, contact us...

Jim@W-LTC.com or 509-850-1150 Jim Lusk, CFP, CLU, ChFC