

# LTC INSURANCE PLANNING COMES IN ALL FLAVORS WITH MANY TOPPINGS.

*Welcome to today's landscape of choice and flexibility – and yes, some complexity.*

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No one-size-fits-all. Today's long-term care solutions give you flexibility and a choice in prioritizing what is most important. You can prioritize according to budget, leverage, flexibility, and tax efficiency.

Given longevity, the need for planning isn't going away. Long-term care insurance is for those who want choice and control.

Do you have a favorite flavor? Today you can combine them or have a single, double or triple scoop.



Photo courtesy of Erica Robinson and Farley's Ice Cream

## 1. Classic Vanilla: Stand Alone LTC

If you live in New York State, are a business owner, or itemize medical expenses, you have meaningful deductions and credits from the Federal and State government. And if you simply prefer a low annual premium, stand alone Long Term Care plans pack a punch. Lots of "toppings" in the way of riders that include shared care, innovative inflation options and waivers.

Having just come back from a conference laden with actuaries, the news is good. Stand alone policies written after 2010 have less than a 10% chance of a rate increase.

## 2. Vanilla & Chocolate Swirl: Life Insurance and LTC Hybrids

Life and LTC hybrids are the new darlings that offer limited pay options and a death benefit. You have an either-or scenario with benefits for long term care or a death benefit and a return of premium if you want out. Highly leveraged money for long term care makes this compelling, especially for the "I can self-insure" crowd.

## 3. Chocolate & Vanilla Swirl: Life Insurance with an LTC Rider

While these are structured using life insurance as a foundation and adding a LTC rider, you can now use whole life and second to die life for planning solutions. Death benefit is the primary leverage and access to living benefits for LTC as an accelerated death benefit. Several carriers are now offering lifetime benefits and cash value (state specific).

What's new and exciting are the new carriers entering the marketplace with competitive benefits. Plans can be structured

for use in ILITs as executive carve-outs and or employee benefits that allow for business deductions.

**Of note:** In these combination plans using life and long term care, plans may be more expensive, and in some states, New York specifically, contracts will not allow the long term care benefits to compound on the first two years on claim. Therefore, the inflation constraints must be carefully factored in for younger clients.

Women's (Unisex) Rates - It's Quickly Melting.

Women's rates are now 25-40% higher -than men's because women live longer.

Before it's melted away, there are still a few carriers left with unisex (read cheap)policies for women, but advantaged pricing will be short- lived as carriers refresh and unisex pricing is completely eliminated.

Not sure what flavor works best for your needs?

We are happy to help you navigate and sample your options.



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