Hybrid Long-Term Care Insurance



What is hybrid long-term care insurance?

Hybrid long-term care insurance, also known as asset-based or linked benefit LTCI, consists of a life insurance or annuity contract with long-term care benefits attached. This type of policy can be funded with a single premium or recurring payments. Each policy can be tailored to a client's specific premium tolerance and projected needs. Plus, recurring premiums of hybrid LTCI policies remain level throughout the life of the policy, meaning the insurance carrier will not increase premiums.

How does it work?

Hybrid LTCI earns growth on a tax-deferred basis, so your client can receive a return on investment. Then, if they require long-term care, they can access the proceeds tax-free. Your client can also fund the policy with an existing deferred annuity, and any gain recognized on that annuity can also be used tax-free in a long-term care situation. Hybrid LTCI also offers a guaranteed death benefit for your client's beneficiaries in the event they never require extended care.

When should my client purchase hybrid LTCI?

The issue ages for hybrid LTCI vary depending on the carrier, but policies are typically available for individuals aged 30 to 80. This product offers financial security as well as the opportunity for growth and counteracts the old "use it or lose it" mentality that used to come with LTCI.

Product Features:

- Issued up to age 80
- Offers tax-deferred growth
- Guaranteed death benefit

Who purchases LTCI?

- Parents or married couples
- Women
- Business owners
- High-net worth individuals
- Single individuals or those without children

If your client is planning ahead for long-term care, hybrid LTCI offers financial security while providing the opportunity for financial growth.

To learn more about hybrid LTCI, book a call with our team today!

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