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AAFMAA Wealth Management & Trust LLC

Understanding Long-Term Care:

Costs, Coverage and Caregivers

Presented by Brittany Benassi, CFP[®] and Maddie Sharpe, CFP[®]

Our Mission

Our Mission: to be the premier provider of financial planning, investment management, and trust services to the American Armed Forces community.

AAFMAA Wealth Management & Trust LLC

A Wholly Owned Subsidiary of the American Armed Forces Mutual Aid Association

- Proudly serving America's Armed Forces since 1879
- Non-profit, Tax Exempt (501[c](23)), Member Owned Mutual Aid Association offering Life Insurance
- Open to all branches of the U.S. Armed Forces and their families (children age 23 and under)
- Two fully owned subsidiaries:
 - AAFMAA Wealth Management & Trust: Financial Planning, Investment Management, and Trust Services
 - AAFMAA Mortgage Services: Mortgages, Home Construction and Financing



DISCLAIMER

- Not specific investment or tax advice, we provide innovative, personalized, and lifestyle-appropriate financial services.
- Bound by a **fiduciary standard** - any advice or service we offer must always be in the best interest of the client.
- Serving U.S. Armed Forces community



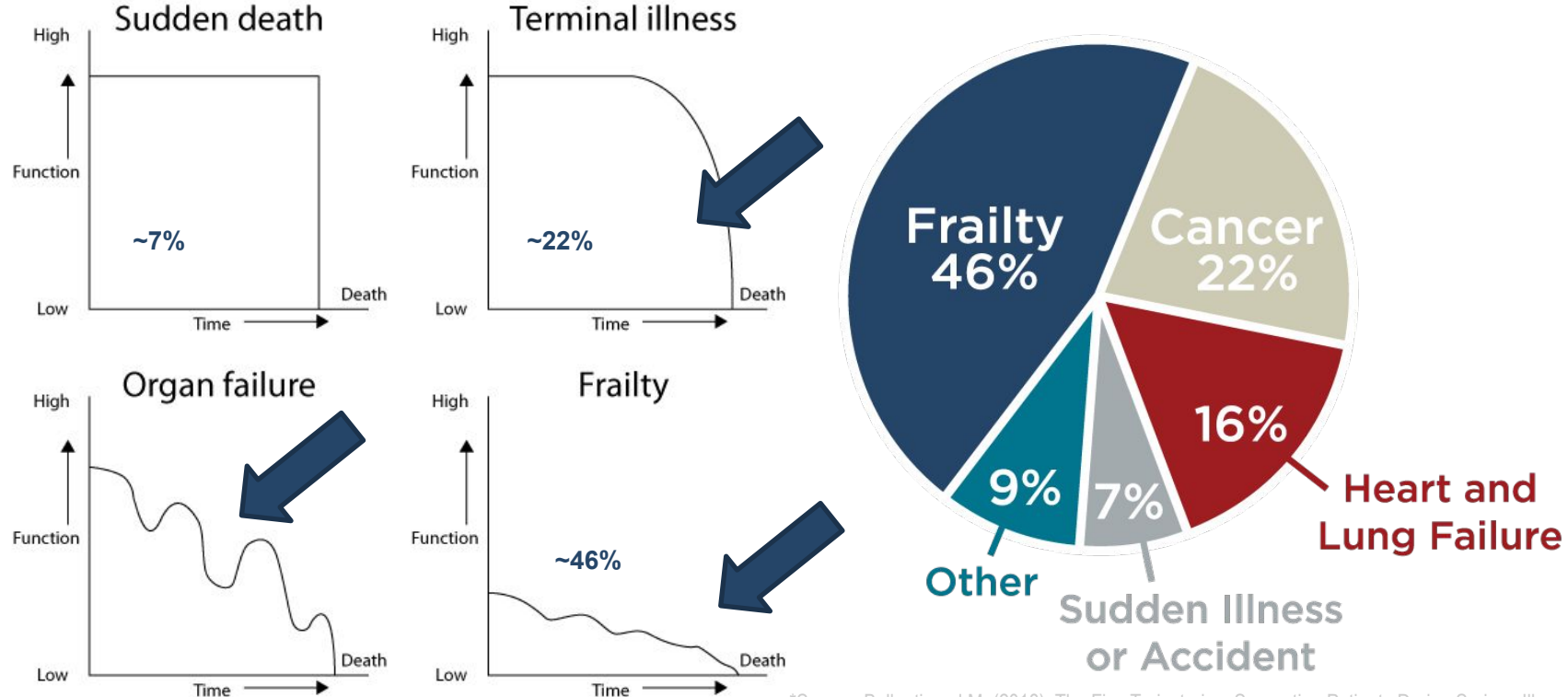


Agenda

Understanding Long-Term Care: Costs, Coverage and Caregivers

- Healthcare in America
- What Is Long-Term Care (LTC)?
- Cost of Care and Types of Coverage
- Benefits That Don't Cover LTC
- How to Fund Your LTC Plan
- Protect Your Future with a Financial Plan

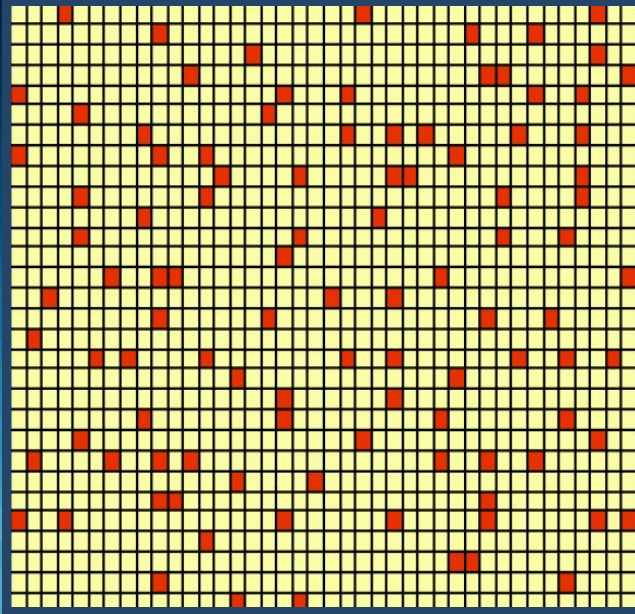
Healthcare in America



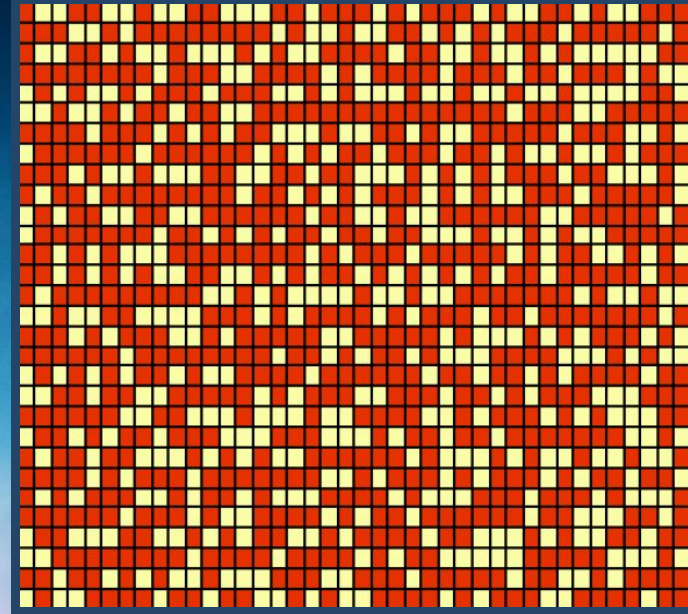
*Source: Ballentine, J.M. (2018). The Five Trajectories: Supporting Patients During Serious Illness

Healthcare in America

Odds of being hospitalized:
105 in 1,200



Odds of needing LTC:
840 in 1,200



*Source: Ballentine, J.M. (2018). The Five Trajectories: Supporting Patients During Serious Illness

What Is LTC?

- Care you may need if you are unable to **perform daily activities on your own.**



- The goal of LTC is to **help you maintain your lifestyle** as you age.

Common Care Settings

In-Home Care

Assists with cooking, cleaning, errands

Community Care

Social and support services provided in a community setting.

Assisted Living

Personal care and health services provided in a residential facility.

Nursing Home

Provides a wide range of health and personal care services.

Cost of Care

CALIFORNIA

In-Home Care:
\$64,000
Nursing Home
(Semi-Private
Room) \$105,120

**NORTH
DAKOTA**

In-Home Care:
\$63,900
Nursing Home
(Semi-Private
Room) \$142,503

MARYLAND

In-Home Care:
\$54,900
Nursing Home
(Semi-Private
Room) \$116,070

TEXAS

In-Home Care:
\$48,000
Nursing Home
(Semi-Private
Room) \$58,400

FLORIDA

In-Home Care:
\$42,000
Nursing Home
(Semi-Private
Room) \$102,565

*Source: Genworth Cost of Care Survey 2019 (Median Cost Tables)

Cost of Care - Financial

- Longevity
- Unnecessary Taxes
- Market Timing
- Liquidity
- Financial Commitments

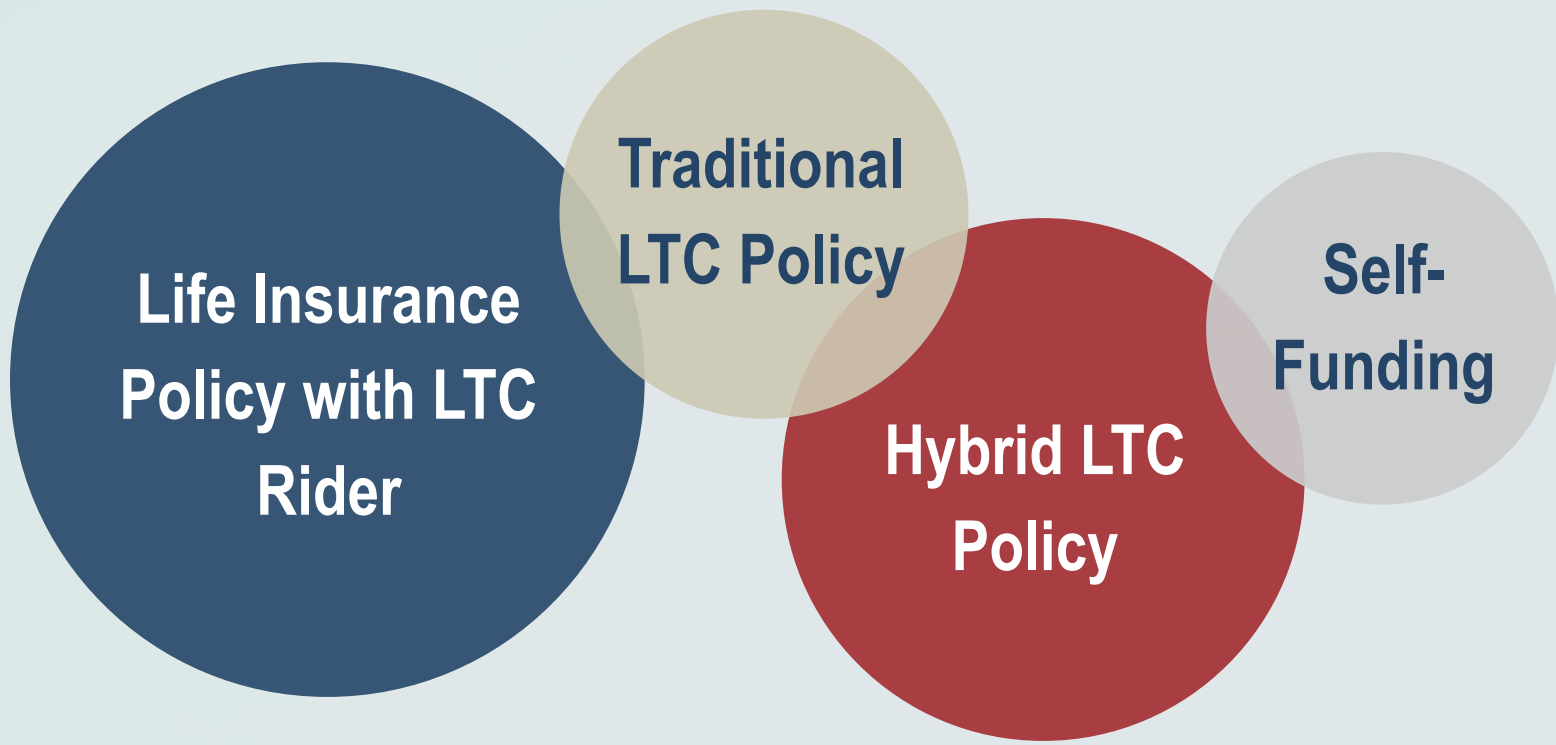



Cost of Care - Emotional

- Family Member Stress
- Financial Stress to Caregivers
- Family Relationships
- Blended Families



Types of LTC Coverage



**Life Insurance
Policy with LTC
Rider**

**Traditional
LTC Policy**

**Hybrid LTC
Policy**

**Self-
Funding**

Benefits that **DON'T** cover LTC

- Health Insurance
- Medicare
- Medicaid
- VA Disability

Funding Your LTC Insurance



It's All About
the **Leverage**
Provided by
An Insurance
Solution...

**\$100K/
\$200K**

CUMULATIVE PREMIUM

01

LTC Benefit Day 1

\$225,000/ \$450,000

02

LTC Benefit Year 10

\$300,000/ \$600,000

03

LTC Benefit Year 20

\$405,000/\$910,000



Save the Premium

01> \$100K/ \$200K Death Benefit if
Care Not Required

\$100K/ \$200K

02>

Savings By
Year 20

\$265K/ \$530K

03>

LTC Benefit Pool
Year 20

\$405,000/ \$910,000

*Premium can be paid as lump sum or in annual payments over chosen number of years.

Protect Your Future with a **Financial Plan**

- Feel more in **control**.
- Make **educated decisions**
- **Stress reduction** for family members.



Questions?



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