

## More Care | More Convenience | More Control

### The Big Picture

When you think about long-term care, what picture comes to mind? Do you think of a nursing home or depending on family members to take care of you? This is a common perception and sometimes the only image of what people associate with long-term care. However, long-term care is comprised of the following care services:

- Home Care
- Home Health Aide and personal care
- Homemaker Services
- Chore Services
- Nurse and Therapist
- Respite Care
- Adult Day Care
- Assisted Living Facility
- Bed Reservation
- Nursing Home Facility
- Hospice Care

### The Need

At some point over the age of 65, 70% of people will need some form of long-term care.<sup>1</sup> To qualify for long-term care benefits you must be diagnosed as chronically ill by a licensed health care practitioner, which means either being severely cognitively impaired requiring substantial assistance to protect against threats to health and safety or are unable to perform at least two of the six Activities of Daily Living (ADLs).<sup>2,3</sup>

- Eating
- Bathing
- Transferring
- Dressing
- Toileting
- Continence

### The Payment Options

Long-term care services may be very expensive and may quickly drain a person's savings and investments. There are several ways to pay for the costs of long-term care:



If a person chooses to pay for long-term care from personal savings and investments, which account would that person use first and would that person be willing to potentially deplete all of the accounts to pay for long-term care?

This is a solicitation of long-term care insurance by **Forethought Life Insurance Company** and an agent/insurance producer may contact you.

### What is your current long-term care strategy?

Is it one of these?

Own a  
long-term  
care policy

Money  
Set Aside

Don't  
Know

There might be a new approach that brings more advantages and more choices.

Would you like to learn more?

### BY THE NUMBERS

**70%**

of people over age 65 will need long-term care services.<sup>1</sup>

**\$109,560**

Maximum amount of assets Medicaid allows the healthy spouse to keep.<sup>6</sup>

**\$1,000**

per month for home care three times per week.<sup>5</sup>

**Fewer than 1/3**

of Americans age 50 and over have begun saving for long-term care.<sup>5</sup>

<sup>1</sup> Medicare & You 2015, National Medicare Handbook, Centers for Medicare and Medicaid Services, Page 63, November 2015.

<sup>2</sup> There is an elimination period of 90 days of covered care within 270 consecutive days. The elimination period is waived for home health care with a qualifying plan of care.

<sup>3</sup> Covered Long-Term Care Services must be provided pursuant to a written Plan of Care that 1) was submitted by a Licensed Health Care Practitioner, and 2) has been approved by Forethought Life Insurance Company.

<sup>4</sup> There are a multitude of different products that may be accessed for retirement income needs. For example, stocks, bonds, mutual funds, and variable annuities are securities and have different risk/reward characteristics, liquidity properties and tax consequences, particularly when compared to products such as CDs, savings accounts, money market accounts, fixed annuities and fixed index annuities. Certificate of Deposits (CDs) are bank products that are FDIC insured. Money Market funds are securities and are not FDIC insured and although these funds seek to preserve the value of an investment at \$1.00 per share, there is no guarantee they will maintain this value.

<sup>5</sup> "Guide to Long Term Care Planning," Jed Winegar and Thomas Day, National Care Planning Council, July 30, 2014.

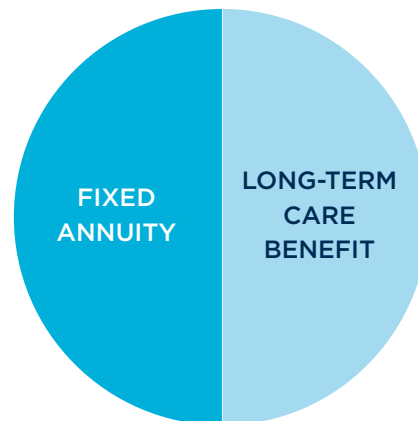
<sup>6</sup> Medicaid data for 2011.

## Is there a better way?

### ForeCare Fixed Annuity

73% of annuity owners plan to use their annuity savings for an emergency fund in case of illness or nursing home care.<sup>7</sup> Because ForeCare is a fixed annuity, it provides tax-deferral on interest credited to the contract value through withdrawals or income payout options, and any remaining contract value at death will pass directly to beneficiaries as a death benefit. However, if the insured is diagnosed as chronically ill by a licensed health care practitioner (is unable to perform at least two ADLs or is severely cognitively impaired) ForeCare may provide the following long-term care benefits:<sup>2</sup>

- Double or triple the contract value in long-term care coverage available for qualified long-term care expenses (eligibility and multiple is determined through underwriting)<sup>8</sup>
- Benefits received for qualified long-term care expenses are typically federal income tax-free<sup>9</sup>



For more information, please contact your financial professional or visit [globalatlantic.com](http://globalatlantic.com).

### [globalatlantic.com](http://globalatlantic.com)

<sup>7</sup> 2009 Gallup Survey of Owners of Non-Qualified Annuity Contracts.

<sup>8</sup> The ForeCare Multiplier provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Benefits are subject to a maximum monthly benefit. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future.

<sup>9</sup> Pay no taxes on investment income growth assuming all funds are used to pay for qualified long-term care services, no non-qualified withdrawals are taken and no death benefit is paid.

**Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.**

#### Exclusions and Limitations

The qualified long-term care insurance rider has exclusions and limitations.

**Other Information** - For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the contract may be continued in force, talk to your agent.

No payment will be made for any room and board, care, treatment, services, equipment or other items: (1) Provided by a member of an Insured's Immediate Family, unless: (a) He or she is a regular employee of the organization that is providing the services; and (b) Such organization receives payment for the services; and (c) He or she receives no compensation other than the normal compensation for employees in her or his job category; (2) For which no charge is normally made in the absence of insurance; (3) Provided outside of the United States of America, and its territories and possessions; (4) Provided by or in a Veterans Administration or federal government facility, unless required by law; (5) Due to an Insured's alcoholism or addiction to drugs or narcotics; but not addiction that results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician; or (6) Resulting, directly or indirectly, from: (a) War or act of war, whether declared or not; or (b) Attempted suicide or an intentionally self-inflicted injury.

The Rider for Long-Term Care Benefits may be terminated by a written request from the Owner within the 30-day period following a Contract Anniversary. The Rider will also terminate: when the requirements specified for the insured are no longer met, when the Owner is changed, when the Contract is surrendered, upon the death of the last surviving insured, upon annuitization (if elected prior to the Maturity Date), on the Maturity Date, except 1) when annuitization is elected on the Maturity Date; and 2) when the Contract Value is \$0 but unused Long-Term Care Extended Benefit coverage is still available, or upon the date all Long-Term Care Benefits available under the rider have been paid.

**This Rider is intended to be federally tax-Qualified Long-Term Care Insurance under section 7702B of the Internal Revenue Code of 1986, as amended.**

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult a tax or legal counsel for advice.

ForeCare fixed annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Available in most states with contract FA1101SPDA-01 or ICC17-FA1101SPDA-01 in OR and NM with Rider for Long-Term Care Benefits Form ICC11-LTC2000-01, Optional Inflation Protection Benefit Rider Form ICC11-LTC2001-01 and Optional Nonforfeiture Benefit Rider Form ICC11-LTC2002-01. This is a solicitation of Long-Term Care insurance.

**Products and features are subject to state variations and availability. Read the contract for complete details.**

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Not a bank deposit	Not FDIC/NCUA insured	Not insured by any federal government agency	No bank guarantee	May lose value	Not a condition of any banking activity
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