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LONG-TERM CARE PREPAREDNESS QUESTIONNAIRE

Helping Protect Your Retirement, Independence & Legacy

Planning ahead can help protect your retirement savings, preserve your independence, and reduce the financial burden on the people you love. Complete the questionnaire below to identify potential planning gaps.

1 Personal Experience

Have you, or someone you know, ever witnessed the emotional or financial impact of a long-term care event?

☐ Yes ☐ No

If yes, what do you remember from it?

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2 Funding a Long-Term Care Event

If you or your spouse required long-term care tomorrow, which of your current assets or income sources would you use to help pay for that care? (Check all that apply.)

☐ Retirement Savings (401(k), IRA, etc.)
☐ Investment Accounts
☐ Monthly Income
☐ Existing Long-Term Care Insurance
☐ I'm Not Sure
☐ Cash / Savings
☐ Home Equity
☐ Family Assistance
☐ Life Insurance with Long-Term Care Benefits
☐ Other ______________________

3 Retirement Impact

How would paying $150,000–$500,000 out of your current assets for a long-term care event affect you or your family's retirement plans? (Check all that apply.)

☐ Delay retirement
☐ Reduce retirement income
☐ Require using investment assets
☐ I'm Not Sure
☐ Reduce my legacy for my family
☐ Impact my spouse's financial security

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4 Care Preferences

If you needed assistance with everyday activities for an extended period, where would you prefer to receive care?

☐ At Home

☐ Skilled Nursing Facility

☐ Assisted Living Community

☐ I'm Not Sure

5 Current Planning

Which statement best describes your current long-term care planning?

☐ I already own Long-Term Care Insurance.

☐ I have life insurance with long-term care benefits.

☐ I've explored my options but have not purchased coverage.

☐ I've never explored long-term care planning.

Preparedness Score

How prepared do you feel for the financial impact of a long-term care event?

Not Prepared ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10 Extremely Prepared

Why Long-Term Care Planning Matters

- Protect retirement savings
- Preserve independence and choice of care
- Reduce the financial burden on loved ones
- Help protect a surviving spouse
- Preserve assets for future generations
- Gain greater confidence and peace of mind

Client Attestation:

Date: ______________________________

Advisor Attestation:

Date: ______________________________

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ADVISOR TALKING POINTS

Long-Term Care Preparedness Questionnaire — Internal Use

Opening Conversation

> *"One of the biggest risks to a successful retirement isn't always market volatility or taxes — it's often a health event that requires long-term care."*
>
> *"Most people don't realize that Medicare provides very limited coverage for long-term custodial care. The question isn't necessarily if someone will need care — it's how that care would be paid for if it became necessary."*
>
> *"Today I'd simply like to walk through a few questions that help us understand your family's readiness for a long-term care event."*

Question 1 — Personal Experience

- If experienced, did family members become caregivers? Was there enough money available?
- Most families don't realize how expensive or emotionally demanding care can become until they're living through it.
- If no prior experience: planning ahead gives you more options if life ever changes.

Question 2 — Funding a Long-Term Care Event

- Discuss retirement savings, investments, income, home equity, family assistance, existing coverage, or uncertainty.
- Discuss tax implications if distributions are taken from IRA, 401(k), or investment accounts.
- The goal isn't necessarily to avoid using your assets — it's making sure you use them intentionally instead of by default.

Question 3 — Retirement Impact

- Discuss impacts on retirement timing, income, spouse, and legacy.
- Projected costs of care in 20 years: Home Health Aide ($140,508/yr), Assisted Living ($127,872/yr), Nursing Home ($230,736/yr).
- Typical length of care is approximately 3 years.
- Planning ahead allows you to decide where those dollars come from, instead of having the situation decide for you.

Question 4 — Care Preferences

- Discuss home care, assisted living, or skilled nursing preferences.
- Briefly touch on Indemnity vs. Reimbursement LTC policies:

<u>Indemnity</u>

  - Allows tax-free benefits up to the IRS per diem limit to be used on long-term care expenses. Paid as a cash benefit; does not need to be considered a "Qualified LTC Expense."
  - Typically ideal for clients wanting flexibility with their LTC dollars outside the scope of true LTC costs like nursing and care (e.g., home renovations, informal/unskilled care occurring at home, etc.).

<u>Reimbursement</u>

- Provides tax-free benefits covering "qualified" LTC expenses determined by the provider.
- Typically ideal for clients who prefer using assisted living or nursing facilities for their care.
- A benefit of reimbursement-style coverage is that facilities can work directly with the insurance company to reimburse costs incurred at the facility, relieving the family from involvement in the claim process.

- Putting a plan in place now allows you and your family to choose where and how you receive care.

Question 5 — Current Planning

- Review existing LTC coverage or life insurance with LTC benefits.
- Discuss Traditional vs. Hybrid options.