LEVERAGED CARE SOLUTIONS

Answers to Today’s Long-Term Care Crisis

By David & Todd Phillips
David T. Phillips is a nationally recognized consumer advocate for insurance, annuities and estate planning with 45 years of experience. He is the author of bestselling books – *Estate Planning Made Easy, The 10 Most Common Estate Planning Mistakes and How to Avoid Them, The Family Bank Strategy* and *The Bombshell Battle Plan, How to Defend Against the IRS' Secret Weapon*.

Mr. Phillips has been a featured speaker at a multitude of investment conferences around the globe and a guest on national television including: CNN, Fox News, CNBC, Money Talks, and Bloomberg.

Mr. Phillips is CEO and founder of Estate Planning Specialists. With clients in every state, his companies have assisted thousands of Americans properly plan their estates.

Mr. Phillips graduated from Brigham Young University. He is an active member of his church and coached the Arizona State University Water Ski Team from 1994-2006, winning the National Championships in 2001. David and his wife, Jane, have four children and nine grandchildren.

Todd Phillips is the President of Estate Planning Specialists and Phillips Financial Services. Todd has been helping people across the country with their insurance and investments since 1995. His talent is in assimilating the intricacies of the various investments and breaking them down for the firm’s nationwide clientele.

In addition to his duties as President of Estate Planning Specialists, Todd is a registered representative with ProEquities Inc. and holds Series 7, 63 and 66 licenses. He has authored *The Future of Retirement Savings, IRA Leverage Strategy, How to Hedge Against the Coming LTC Crisis,* and *The Optimum Wealth Protector*.

In 1998, Todd graduated from Arizona State University with Honors and was a Four-Time All-American water skier. He enjoys playing and coaching soccer with his wife, Camille, but his greatest passion is being daddy to five of the cutest little girls in the world: Jocelyn, Brinly, Amelia, Juliette, and Annalise.
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>RETIREMENT PLAN</td>
<td>The Safety Blanket of the Leveraged Care Solution</td>
</tr>
<tr>
<td>5</td>
<td>THE ODDS</td>
<td>Hard Truths About You and Long-Term Care</td>
</tr>
<tr>
<td>7</td>
<td>THREE STEPS</td>
<td>What are Your Options</td>
</tr>
<tr>
<td>10</td>
<td>TRUE STORY</td>
<td>His Name was Edward...</td>
</tr>
<tr>
<td>17</td>
<td>LEVERAGE CARE SOLUTIONS</td>
<td>The World of Leverage</td>
</tr>
<tr>
<td>18</td>
<td>THE OPTIONS</td>
<td>The LTC/Annuity Combo, Legacy/LTC Combo, The Long Term-Care/Life Insurance Combo</td>
</tr>
<tr>
<td>28</td>
<td>BEST FOR YOU</td>
<td>Key Factors and Questions to Ask Yourself</td>
</tr>
<tr>
<td>32</td>
<td>REQUEST FORM</td>
<td>Print and Fax In</td>
</tr>
<tr>
<td>33</td>
<td>FIVE MYTHS</td>
<td>About Long-Term Care</td>
</tr>
</tbody>
</table>
The Ultimate Retirement Protection Plan

The Safety Blanket of the Leveraged Care Solution

“80% of those that need care are receiving it by unpaid family caregivers.”
Everybody knows an Evelyn.

The Evelyn I knew was 72 years old, but looked and acted like she was years younger. Evelyn was so healthy, active, and happy that her smile was only dwarfed by her zest to live the ultimate retirement. Heck, she could have been a poster girl for AARP.

After a long career in education, Evelyn dived into her previously dormant passions; travel, yoga, putzing around her garden, volunteer teaching, and reconnecting with dear friends and family.

Evelyn was living what most would call the perfect retirement.

Nobody goes into education to get rich, but Evelyn led a simple, thoughtful life and made all the right financial moves; maximized her pre-tax 403b (the education equivalent of a 401k), avoided credit card debt, made significant progress at paying off her mortgage, and had excellent health insurance.

Evelyn had planned for everything…or so she thought…I am sad to say that she suffered a serious, debilitating stroke that forced her family to move her into a Long-Term Care facility.

Evelyn is a true story, but I’ve changed her name for privacy. However, hundreds of thousands of Americans face similar types of health curve-balls every year, so I can be easily talking about a Joan or James or Judy or Joe.

As one of the massive generation of baby boomers, I know firsthand what it’s like to be impacted from a Long-Term Care event. Not for myself, but for my parents and in-laws. We are living the experiences right now as we take care of those that took care of us. The fact is that 80% of those that need care are receiving it by unpaid family caregivers. And while we will never deny them the care they deserve, it takes a toll on everyone involved, emotionally, physically, and financially.

What do we want for our children? Do we want to put them in the same situation 10 to 20 years from now? What options do we have? What have we done to ensure we don’t paint ourselves and our families into a corner? Fortunately, today there are more options than ever before. This report will unveil those options. Your job is to choose which one makes the most sense to you and your family.
According to poll after poll, the biggest fear most Americans have is that our health will fail, we’ll get stuck in a costly Long-Term Care facility, run out of money, and die destitute and alone in a nursing home.

In fact, today more than ever, as the baby boomers deal with the care of their parents and loved ones, the topic of providing for their own care has catapulted to the top of the list of concerns.

Evelyn had a six-figure retirement account, but she had one vulnerability that could have wiped out all her life savings.

No, I’m not talking about a bear market or inflation, but the high cost of a Long-Term Care event that could have quickly burned through her retirement savings.

Evelyn had a son, a successful dentist, and I am happy to report that they set aside a reserve fund in what we call The Leverage Care Solution that provides the means to pay for her Long-Term Care medical expenses, even if she wants to reside in a hotel-like care facility.
You don’t need to panic, but you do need to know the hard truths about the Long-Term Care crisis.

- If you are 65 years or older, there is a 72% chance that you will require some type of extended long term medical care in your lifetime.

- Moreover, if you’re a woman, the odds are even worse; 8 out of 10 women will need Long-Term Care.

- And if you’re married and over 65, there is a 91% chance that one member of a married couple will experience a Long-Term Care event, according to USA Today.

- Warning; Long-Term Care isn’t cheap! The national average cost for a nursing home private room in 2015 was $91,250. This is just the average costs, with average accommodations. The cost for a private room in Alaska is over $290,000 per year!

- A 55-year old couple retiring in 10 years will pay on average of about $464,000 in lifetime retirement health care costs, according to a 2015 report from HealthView Services. That, coupled with the growing likelihood of needing care as life expectancies continue to lengthen, put a premium on protecting your estate from a potentially massive drawdown to cover a Long-Term Care event.

- Long-Term Care costs add up fast. It’s estimated that an unexpected Long-Term Care event will cause us to burn through our retirement assets 2 to 3 times faster than expected.

- Approximately 80% of individuals who need Long-Term Care receive services in a family member’s home by unpaid family caregivers.

- Caregiving involves lifting, bathing, and toileting which can take an emotional and physical toll. It’s no wonder a spouse caring
for their disabled spouse is 6 times more likely to suffer from anxiety or depression. Not to mention the time it takes away from one’s normal daily activities, such as work, other family members, vacation, alone time, etc.

- Expenditures to pay for both formal and informal care of loved ones is over $750 billion each year and growing.

And no, you cannot count on the government to come to your rescue.

Currently, 43% of all Long-Term Care expenses are covered by Medicaid. The problem is that Medicaid only provides for a life-sucking level of basic, bare-bones coverage. Furthermore, to qualify, you have to spend down your assets, including your IRA accounts to the point that you are broke in the poor house! Forget about dying with dignity.

Worse still, the surviving spouse gets a double whammy. If your life savings are spent caring for one spouse, the surviving spouse would need to depend on family or Medicaid and welfare for their potential care needs and living expenses and this can get ugly.

To be eligible for Medicaid, you cannot have recently transferred assets. Congress does not want you to move into a nursing home on Monday, give all your money to your children on Tuesday, and try to qualify for Medicaid on Wednesday.

The federal government tightened up the transfer rules with the passage of the 2005 Deficit Reduction Act (DRA). The DRA lengthened the “look-back period” to 60 months (five years) prior to the date the individual applies for Medicaid. In other words, for you to be able to shift your assets to your children before they are used to cover your Long-Term Care expenses, they must have been transferred before 5 years. If you try and transfer them after, severe penalties will be levied on you and those that helped with the transfer.

With that said, most people with assets prefer to avoid state funded care anyway. In the words of Terry Savage, a nationally known expert on personal finance, “Do you want to spend your final years in a state-funded nursing home, just as other baby boomers are crowding in?”
We can read all of the scare statistics, but the truth is, it is going to happen to you, to me and to others we know. So what are your options?

The reality is that you need to take one of three steps to protect yourself against the exorbitant cost of a Long-Term Care event.

**OPTION 1**

Purchase traditional Long-Term Care Insurance.

**OPTION 2**

Be rich enough to pay for everything or self fund.

**OPTION 3**

Reposition some of your assets into a Leveraged Care Solution.

---

**NUMBER OF DEATHS**

_and Death Rates of Centurions, by Sex, 2000 through 2014_

Does your retirement plan cover you to age 100? Maybe it should. With more people living longer, making smart decisions now about Long-Term Care costs and Medicare coverage is important. Making sure you have the right solution in place is critical estate planning.
The premise behind Long-Term Care Insurance is like any other insurance. In exchange for annual premium payment, an insurance company promises to pay a pre-specified amount in Long-Term Care benefits.

However, Long-Term Care insurance has gotten a bad rap because of its high cost and unreliability.

Long-Term Care insurance is expensive. Very expensive. A typical premium for a 65-year old couple would be more than $4,500 a year for a 5-year, $5,000 a month Long-Term Care benefit with a 90-day waiting period. Add in a 5% inflation rider and the premium could easily shoot past $11,000 a year.

Qualifying for coverage isn’t easy. It is estimated that only 25% of the people who apply for Long-Term Care insurance are accepted. Anyone with pre-existing health issues, like high cholesterol or hypertension, would faint at the sky-high cost of coverage or be denied from the get-go.

Those already expensive premiums can go even higher. That $4,500 annual premium that our 65 year old couple is paying isn’t guaranteed. In fact, existing Long-Term Care policies are experiencing skyrocketing rate increases.

Why?

Long-Term Care Insurance companies have two sources of revenues: premiums and returns on the investments those premiums are invested in.

Insurance companies typically invest only in super-safe bonds, and thanks to today’s low interest rates, their investment returns are minuscule. Moreover, insurance companies have grossly underestimated the cost of claims and are paying out more in benefits than they anticipated.

The result is that 90% of Long-Term Care insurers have abandoned the business. Those that have stuck around have raised premiums on older policies.

In 2016, some Long-Term Care policyholders were hit with enormous premium increases. For example, the largest seller of Long-Term Care policies in the U.S., raised premiums by 80% to 130% depending on the state of the insureds.

No wonder consumers are steering clear of traditional Long-Term Care insurance. In 2000, 700,000 Americans purchased Long-Term Care Insurance, but that number plummeted to only 100,000 in 2015.

Not only are standalone Long-Term Care policies subject to rate increases, they are a “use it or lose it” contract.
If you needed money today to take care of a long-term medical experience, which asset would you draw from first?

- **$450K** IRA / 401K
- **$240K** Mutual Funds
- **$175K** Stocks
- **$125K** Bonds
- **$120K** Life Insurance Cash Value
- **$250K** Cash & Equivalents
- **$420K** Real Estate

Just like fire insurance; if your house doesn’t burn down…you don’t get paid. Likewise, if you’re lucky enough to make it through life without needing Long-Term Care, all those thousands of dollars in premium you paid, will be for nothing.

If you are one of the fortunate 28% that doesn’t experience a long-term medical event, the insurance company doesn’t send back the premiums you’ve paid over the years after your death. Heck, the insurance company is delighted that you died before they had to pay.
Edward was a hard-working, successful businessman. He founded a company that built and sold high-end custom pool tables that were so beautiful and well-built that many of them still grace homes in Northern California today.

Edward fell in love with a young woman named Elaine. They were one of the fortunate couples that not only celebrated a Golden Anniversary, but even made it to that rare 60th wedding anniversary.

That was a marriage that almost didn’t happen. Edward volunteered to join the Navy out of high school, but due to his poor eyesight was disqualified from front-line service. Instead he worked as an orderly in a Utah Army hospital. In fact, Edward was the only member of his high school gymnastics team that didn’t join the Navy in July 1941. Tragically, all of his teammates were killed at Pearl Harbor aboard the U.S.S. Arizona. Edward’s life was spared.

After uttering his first words to her in June of 1944, “Well where have you been all my life?” Edward and Elaine eloped and were married just one month later in July.

After the war, his marriage and business thrived. Despite his busy professional demands, he went to church every Sunday without fail and made sure that all three of
his rambunctious sons went as well.

I am proud to say that I was the second of those three rambunctious children, and my son Todd was his first grandchild. Yes, Edward was my father and I am sorry to tell you that he died on August 17, 2005. Edward had a wonderful life but the last few years were challenging. The reason I’m telling you this story is so you and your family don’t have to face the same problems my parents did.

For those of you who don’t know me, my name is David T. Phillips. I have been working in the financial and investment world for over 45 years and during that time, I have been an advocate, even a designer, of many of the innovations the industry has introduced.

In the late 80’s, predicting the huge impact long term medical expenses would have on the World War II generation, some insurance companies got creative and designed Long-Term Care Insurance.

Being a believer in the concept, I purchased one of the first plans for both of my parents, Edward and Elaine.

In 1999 my father was diagnosed with Alzheimer’s, and while we were all extremely distraught over the news, we were comforted knowing that there was a Long-Term Care policy in place.

We sold the Sacramento, California family home of 40 years and moved my parents closer to my brother and I in Arizona. This way our families could help take care of him if needed. As is usually the case with the disease, my dad progressively got worse.

Over the next four years, my mother doted on Dad and was the primary care giver. Both our families helped for as long as we could. It wasn’t until the last year of his life that Hospice Inspiris came to their home for four hours a day, twice a week.

The hospice caregivers were angels and Mom was able to leave dad’s side with the confidence that he was in good hands. They would bathe, dress and feed him. What a blessing that was.

Even though my father was eventually incapable of performing any of the normal activities of daily living, he never qualified for any benefits from the Long-Term Care policy I bought him.

Why not? To qualify, my father had to be admitted into a nursing home as a permanent resident. No one really wanted that, especially Mom. My dad peacefully passed away after only being in an assisted living facility for one week, not a nursing home. Even though I had paid all his premiums for years and my father was suffering from Alzheimer’s, his Long-Term Care benefits were never triggered and his policy never paid out a dime.

The thousands of dollars I paid were gone! Granted, with dad’s policy we had purchased some peace of mind, but financially we lost the bet.

To finish the story, my mom is 91, still going strong and for that we feel very blessed.
If you have sufficient assets, you can always self-fund your Long-Term Care costs. In short, pay for everything out of your own pocket.

The appeal of self-funding is that you don’t have to pay premiums to any insurance company and you only pay for services that you need.

However, as we all know, Long-Term Care expenses can add up fast and can easily gobble up over $100,000 a year, based on today’s dollar. Tomorrow, we know for certain that care cost will escalate to unprecedented numbers in the future.

That is why most people who choose to self-fund their Long-Term Care needs either mentally or physically set up a separate Long-Term Care fund.

This money should be invested in safe money vehicles, be totally liquid, and not be subject to stock market risk. The money needs to be readily available.

The problem with readily available, it also means low yielding. And in today’s extremely low interest rate environment, that means you’ll be lucky to make 1% on this Long-Term Care reserve fund.

Of course, self-funding requires that you set aside a sufficient amount of money — generally several hundred thousands of dollars — to cover expenses.

Remember, however, should you self fund, the money you set aside will ONLY be worth what it is worth when being used for long-term medical care. In other words, $100,000 is $100,000.
Financial Snapshot

Post LTC Event - Asset Sell Off

- IRA / 401K: $450K
- Mutual Funds: $240K
- Life Insurance Cash Value: $120K
- Real Estate: $420K
- Cash & Equivalents: $5K
- Stocks: $0
- Bonds: $0

Total: $450K

Leveraged Care Solutions

David & Todd Phillips | 888-892-1102
For the last three decades — other than self-funding, the only way to finance potential Long-Term Care expenses was to purchase a standalone Long-Term Care Insurance policy.

THAT IS UNTIL NOW!

Thanks to the Pension Protection Act of 2006, there is now a better option; an option we call The Leveraged Care Solution (LCS). Others refer to it as The Asset Based Care Strategy.

Section 844 of the Pension Protection Act of 2006 permits you to reposition your self-funded dollars that you intend to use for Long-Term Care into a new type of account via an insurance company that magnifies those dollars, depending on your age, up to 10 times, should you trigger a Long-Term Care event.

That’s right; $100,000 of cash can increase up to $1 million that can be used to pay for your Long-Term Care expenses!

Because the funds you reposition into the Leveraged Care Solution are still an asset on your balance sheet, it is as if you transferred those dollars from your left pocket to your right pocket. The funds are still in your pocket if you need to access them, but if you leave them in your pocket and experience a Long-Term Care event, they are guaranteed to multiply many times their value.

That is leverage. Using pennies today to create dollars tomorrow.

Moreover, should you have the good fortune of dodging the Long-Term Care bullet, either your account balance or an expanded tax-free life insurance benefit will be transferred to your beneficiaries at your passing.

To trigger the care benefit payout, a professional care giver simply verifies that you are either cognitively impaired or you cannot perform 2 of the 6 Activities of Daily Living (ADLs) without assistance. The 6 Activities of Daily Living include:

- **Eating** – Feed yourself by mouth.
- **Bathing** – Washing yourself or getting into or out of the tub or shower.
- **Dressing** – Putting on and taking off all items of clothing.
- **Toileting** – Getting to and from the toilet, getting on and off the toilet and performing associated personal hygiene.
- **Transferring** – Moving into or out of a bed, chair or wheelchair.
- **Maintaining continence** – The ability to maintain control of bowel and bladder functions.
Cognitive impairment essentially means you have medical documentation of dementia or Alzheimer’s.

When the care benefit is triggered, the insurance company you have chosen will begin paying out an income tax free monthly benefit from your Long-Term Care benefit pool of multiplied funds. The monthly check is distributed from the pool based on the number of months you selected up front, 50 months to 90 months. Depending on the plan you choose, the care benefit payout is either a reimbursement of expenses or a cash indemnity (where no receipts are required).

Since Medicare will cover the first 90 days of a care event, most LCS monthly benefit payouts begin after a 90 day waiting period.
It would be easy to say “yes” to Long-Term Care Insurance if you didn’t have to come up with new money to pay for it, wouldn’t it? Well, there might just be a way to pull that off by repositioning money you already have.

Suze Orman

A metaphor might help:

Let’s say you are in your 70’s and during the Christmas holiday you gather your family together and you reveal to them, with deep concern, “Should I ever reach a point where I can’t remember your names, or can’t do 2 of the 6 normal activities of daily living, I have placed $200,000 into a CD with Bartlett Bank, and want you to use those funds for my care.”

From the group, your recent college graduate granddaughter Mary, says, “Nana, you are never going to need care, cause you are going to pass on to the next life in your sleep at 95, after living a happy active life. But I just read about this new concept called The Leveraged Care Solution. It is so cool.

“Rather than just putting your money in a CD you should transfer it into one of the three Leveraged Care Solution options and should you experience a Long-Term Care event, your $200,000 will multiply at least three times, to $600,000.

“Your CD will never grow that big. Plus my finance professor told us that putting money in a CD today is like putting it in a coffee can in the back yard, or under the mattress. Banks don’t even pay 1% and the interest earnings are taxable.

“And best of all should you never need to dip into the Long-Term Care benefit, all of your deposits, plus any interest, or an expanded life insurance benefit will be distributed to your beneficiaries.”
In the business world the concept of using leverage is the norm. Acquiring a loan to purchase raw material to build a product to resell at a profit is an age old business model. Using a bank’s money to buy real estate via a mortgage, either personally or as a developer has been an acceptable practice for several millenia. In all, it is called leverage, using a few of your dollars today to create more dollars in the future.

It is evident that the need for Long-Term Care protection is there, but with traditional LTC policies on the wane, as the vast majority of carriers exit the business and with all the creative minds of the world today there had to be an alternative. A solution that made sense to all parties, the consumer as well as the carriers.

It is with great enthusiasm that we introduce to you the world of Leveraged Care Solutions (LCS). Initially it was referred to as Asset Based Care, and then later Linked Care Strategies, but today with all the new options it is now referred to as The Leveraged Care Solution.

Within the LCS world there are three different options to choose from. The correct option for you is determined by your personal circumstances. One size doesn’t fit everyone and so for the balance of this Special Report I will explain those options.

I realize that sometimes choices can be a pain. But choices create flexibility and flexibility creates freedom. No longer do you have to paint you or your family into a corner.

On the onset it is important to remember that with Leveraged Care Solutions you are simply repositioning an asset, usually a low yielding, unproductive asset. Furthermore, LCS weren’t created to make you rich, they exist to prevent you from becoming poor!

From a wealth management perspective, because of the great leverage they create, even the wealthy should include one of the Leveraged Care Solutions in their portfolio. I mean why pay for care out of your pocket and the pocket of your heirs, when an insurance company will pay for it with leveraged dollars?

So what are the available options when considering Leveraged Care Solutions?
The LTC/Annuity combines two financial products rolled into one. First, it is a fixed annuity that pays current fixed interest rates. Second, it is a Long-Term Care policy with a monthly Tax-Free care benefit that is determined by the value of your annuity. Should you trigger the LTC provision of the annuity by not being able to perform 2 of the 6 ADLs or by becoming cognitively impaired, your annuity increases up to three times its value, distributed over 6 years (72 months) for individuals and 7.5 years (90 months) for couples, $100,000 increases to a minimum of $300,000, $200,000 transferred becomes $600,000, etc.

With all top plans the Long-Term Care monthly reimbursement benefit increases through the years as your annuity increases in value. If you never activate the Long-Term Care provision of your annuity, your account balance will pass to your beneficiaries. In other words, if you never use it, you don’t lose it. Either you or your heirs — not the insurance company — will keep your money.

While most LTC/Annuities call for an after taxed single deposit transfer, one carrier allows for a transfer of “qualified” (IRA, 401k, 403b, etc.) funds. Each year for 5 years the carrier transfers 5 deposits from the “qualified” annuity into the LTC/Annuity. Because the annual transfer is deposited by the carrier into your “non-qualified” LTC/Annuity, income is reported the following year on the amount that is transferred.

To qualify for the LTC/Annuity eligible applicants pass a simple 30 minute phone interview with no exam or lab tests.

**For example:** Two 65 year old brothers, James and Larry, each have $100,000 to invest.

James puts his money into a CD paying an average 2% annually (wishful dreaming) while Larry invests his $100,000 in our recommended LTC/Annuity Combo plan.

Ten years later while on a fishing trip, their boat is struck by lightning and the brothers sustain injuries that prevent them from performing 2 of the 6 Activities of Daily Living. Both go into an assisted living facility at a cost of $4,750 per month, or $57,000 per year.

The CD that James invested in grew to $115,370, after taxes, and would pay for roughly 24 months of care in the facility. After 24 months, James would have exhausted all of his CD.
Larry also needs Long-Term Care, but his $100,000 LTC/Annuity cash value would have grown to $110,167. Because of the guaranteed 3 times LTC multiplier factor his total care pool would increase to $330,502 and since his monthly benefit is paid out over 72 months a check for $4,590 would be sent to the assisted living facility for 6 years. All tax free by the way!

After exhausting all his money, James was forced to go on Medicaid, while Larry on the other hand, received $4,950 tax-free per month for 6 years of Long-Term Care coverage compared to James’ 2 years.

**Joint LTC/Annuity Option**

We especially like the LTC/Annuity Combo for those that want to secure the most Long-Term Care benefit as a couple through the Joint LTC/Annuity. With this option, should either spouse trigger the LTC benefit, the full amount is paid out from the amplified deposit pool for 90 months or 7.5 years. Should both husband and wife trigger the benefit at the same time or concurrently, the pool is divided by both, with each spouse receiving the same monthly benefit for a shorter period of time.

For example, Roland and Susan, both age 65, qualify for the Joint LTC/Annuity at the top class after their telephone interview and elect to reposition $200,000 from a Money Market account they have had for a few years.

Immediately, their transferred $200,000 would be worth $600,000 if needed for Long-Term Care expenses. Since the benefit would be paid to either spouse, they both would be eligible for a $6,667 monthly tax-free benefit.

Because the annuity would have moderate growth through the years, based on current interest assumptions, the total LTC pool would grow to $661,005 in 10 years, now reflecting a monthly benefit of $7,345. In 20 years, at age 85, the pool would increase to $728,213 for a monthly benefit of $8,091 for 90 months.

Should both trigger the LTC provision simultaneously, the $728,213 benefit pool would be distributed over a shorter period of time because both Roland and Susan would receive the same $8,091 in monthly benefit until the $728,213 pool had been exhausted.

By transferring $200,000 from their right pocket to their left, they will generate an increase in value of 3.6 times if needed for Long-Term Care. Now that’s leverage!
Turning Tax-Deferred into Tax-Free

If you have an old annuity with accumulated taxable gain, because of IRC Section 1035, you can exercise your right to exchange your annuity into a new LTC/Annuity Combo without any tax consequences. Furthermore, because Section 844 of the 2006 Pension Protection Act, should you trigger the LTC benefits in your LTC/Annuity, not only will your transferred annuity increase up to three times, all of the gain you transferred from your old annuity will be paid out totally 100% income tax free. Now that’s what I call SUPER-LEVERAGE!

For example: Sarah Smith, age 70, has an annuity, currently earning 3% that has grown to $100,000 from her original deposit of $40,000. Her gain is $60,000. If she were to use one dime of her annuity for care, it would be taxed as income the following year at her current tax bracket.

Sara elects to exchange her fully taxable annuity into a new LTC/Annuity Combo. Five years later at age 75, she triggers the LTC benefit. Instead of having $115,927 in her old annuity to draft from, (of which the first $75,927 would have been taxed as ordinary income) she would have a remarkable expanded LTC account value of $300,659, which translates to a monthly tax-free care benefit of $4,176 for 6 years!

In summary, the first Leveraged Care Solution referred to as a Long-Term Care Annuity is usually acquired by those that want to provide a guaranteed monthly benefit that is worth up to three times their annuity value. It is also the LCS plan of choice those that want a Joint LTC benefit and those that currently have an annuity with substantial gain.

In addition, since the value of the LTC/Annuity that is passed to your beneficiaries is only the annuity account balance, it was not designed to emphasize a legacy benefit. The focus of the LTC/Annuity is on the Long-Term Care benefit and the amazing increased leverage that is created by repositioning a low yielding asset into another safe money asset.

#2 Life Legacy/LTC Combo

Built into a select few competitive life insurance policies is a monthly Long-Term Care benefit that is derived by extracting 2% to 4% of the life insurance face amount per month (50 months for the 2% option and 25 months for the 4%). Again, because of Section 844 of the 2006 Pension Protection Act, the insured becomes the beneficiary of their own life insurance policy by claiming a Tax-Free monthly care benefit after triggering the LTC provision by not being able to perform 2 of the 6 ADLs, or by becoming cognitively impaired.

The Life Legacy/LTC plans are considered a life insurance policy first and a LTC benefit second. They are ideal for those that want to leave a leveraged magnified Tax-Free lump sum cash benefit for their beneficiaries, while providing a significant LTC benefit for themselves.

Generally with the Life Legacy/LTC Combo approach the insured transfers a low interest paying stagnant asset like a CD, Money
Market or another source of lump sum cash into the selected plan. This creates an instant and perpetual multiple of the deposit into a guaranteed lifetime Tax-Free paid up life insurance policy with a tag-along Tax-Free LTC benefit.

Another Life Legacy/LTC option is to transfer funds over a number of years, instead of a single deposit. This method creates even more leverage by spreading out the deposits over time.

Some plans, (Universal Life) become multi-dimensional by taking advantage of IRC Section 7702 and earn Tax-Free interest on any excess funds that are deposited into the cash value account. Indexed Universal Life cash account earnings are usually based on the “upside only” performance of an outside stock index like the S&P 500 which determines the annual return. Universal Life and Whole Life cash account crediting rates are determined annually by the carrier’s board of directors which usually trends the 10-Year Treasury note.

Today’s top Legacy/LTC Combo policies pay out a monthly **Cash Indemnity** benefit and don’t require the submission of receipts in order to receive the monthly maximum payout benefit. Once the LTC benefit is triggered, a Tax-Free check is sent to the insured or care provider that is determined by the upfront selected payout percentage based on the face amount of the policy. Should any life insurance benefit remain undistributed for Long-Term Care benefits, the remainder is distributed, Tax-Free to your beneficiaries. A few carriers provide a residual life insurance benefit of 10% of the face amount up to $50,000, should you exhaust the full life insurance benefit for care.

Because the Legacy/LTC policies provide a substantial immediate and perpetual life insurance benefit, normal life insurance underwriting procedures are followed, requiring a paramedical exam, and lab work that usually takes four to six weeks for approval. There are, however, a few policies that are “accept or reject” plans, providing a lesser life insurance benefit and therefore require that applicants pass a simple 30-minute phone interview with no exam or lab tests.

**For Example:** Rachel, age 65, is in average health. She wants to make certain that a long term medical event doesn’t become a financial burden to her family. She also has 5 grandchildren that she would like to ensure when she passes they will be guaranteed an inheritance they can use to pay for college, a down payment on a home, or just a start in life. In other words she wants a guarantee that a financial legacy is left to her family, specifically to her grandchildren.

After qualifying, she transfers $100,000 into her selected carrier’s Life Legacy/LTC Combo plan and immediately creates a paid up $321,695 Tax-Free life insurance benefit. Should she pass away the day after the policy is placed in force her beneficiaries would receive a benefit
that is greater than three times the transferred sum.

Should the LTC provision be triggered at any time, a monthly cash indemnity benefit based on the initial $321,695 face amount would be paid out to Rachel. Had she selected the 2% benefit her monthly check would be $6,434 for 50 months, 100% income tax free. Should Rachel receive the monthly care benefit for 10 months, or $64,340 and pass away, her beneficiaries would receive the unused $257,355 ($321,695 - $64,340 = $257,355).

In 10 years, based on current assumptions, her cash value account would have grown to $122,735 and in 20 years, $175,739. Should she need to access her cash at any time for an opportunity, education for a grandchild, or an emergency it would be available via policy loans or withdrawals. Any use of the cash however would decrease both the life insurance benefit and the LTC benefit.

If your desire is to create an instant guaranteed financial legacy for your family and you want to include a cash indemnity LTC benefit plus accumulate a robust Family Bank cash account, the Life Legacy/LTC Combo option should be your Leveraged Care Solution choice.

The IRA Roth on Steroids LTC Strategy

While the initial Life Legacy/LTC Combo strategies consisted of plans designed for single sum transfers, participating carriers found that many interested investors had their funds tied up in qualified IRA accounts. Companies soon realized there was a need to create a version of the Legacy/LTC Combo plan that would allow for ongoing annual deposits. The results are what we call the Roth on Steroids LTC Strategy.

Anytime you convert an IRA into a Roth you pay income taxes the year following the conversion on the full amount that you convert. You do this for the privilege of never paying taxes on future earnings. However, the NET result of converting an IRA to a Roth is that a Roth is ONLY worth what the Roth is worth. No More!

While this is nice, the net result of the Roth on Roids LTC Strategy is significantly better.

Let me explain.

FIRST, the IRA conversion tax liability for the Roth on Roids LTC Strategy isn’t paid out all in one year. Rather, it is spread out over four to 20 years. You decide.

SECOND, your converted amount significantly multiplies the funds available for your beneficiaries should you pass away, creating an instant increased estate with a paid-up life insurance policy.

THIRD, you accumulate tax-free interest that is commensurate with other safe money investments.

FOURTH, you create a Long-Term Care cash pool that is tied to the expanded face amount of the life insurance policy. If you ever trigger the LTC provisions of the policy, a monthly tax-free benefit is paid out to you, the insured. Any life insurance benefit remaining is distributed, tax-free to your beneficiaries.
For Example: Last year Bob, age 60, had an IRA valued in excess of $800,000. Now however, because of some bad timing and unfortunate stock picks, the account value has been reduced to $500,000. He is looking for some “safe money investment options” and would like to have Long-Term Care protection. Bob has two children and three grandchildren and would like to leave them a guaranteed financial legacy. He realizes if he experienced a long term medical event the balance of his IRA could be easily wiped out in less than four years, leaving little or nothing to his grandchildren.

Bob is currently in average health and decides to transfer a net $20,000 of his $500,000 IRA for seven years into a Life Legacy/LTC Leveraged Care Solution. His children are well off so he names his three grandchildren as his beneficiaries.

Immediately and perpetually, his estate increases by $448,296, guaranteeing that when he passes, his grandchildren will each receive $150,000 to use for college, a start in life, a down payment on a home, etc. In addition he will have the same $448,296 as a pool of money to access for Long-Term Care at the rate of $8,966 per month for 50 months ($448,296 x .02 = $8,966).

In 10 years at age 70 Bob wakes up alive and well, he has dodged the LTC bullet. His Legacy/LTC Combo policy cash account balance would have grown to $152,207, based on current averaged indexed return of 7%. In 15 years the account balance will have grown to $183,529 based on the same assumption. All cash in Bob’s account would be available to him income tax-free through policy loans.

In summary with The Roth on Roids Strategy Bob’s transfer of 20% of his IRA over 5 years ($100,000) would:

- Instantly increase his estate by $448,296.
- Create a Cash “Indemnity” (no receipts required) tax-free monthly Long-Term Care benefit of $8,966 payable for 50 months!
- Generate an income tax free account value that would grow to $222,803 in 20 years based on current assumptions, with all income earnings available income tax-free just like a Roth IRA!

<table>
<thead>
<tr>
<th>BOB’s NET VALUES AFTER CONVERTING $140K OF HIS IRA INTO A ROTH</th>
<th>Converting $20,000 Net for 7 Years - Bob age 60.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCREASED ESTATE VALUE</strong></td>
<td><strong>ROTH IRA vs ROTH ON ROIDS LTC STRATEGY</strong></td>
</tr>
<tr>
<td>YEAR 1</td>
<td>YEAR 15</td>
</tr>
<tr>
<td>$20,000</td>
<td>$252,619*</td>
</tr>
<tr>
<td><strong>Long-Term Care BENEFIT</strong></td>
<td><strong>YEAR 1</strong></td>
</tr>
<tr>
<td>$400 PER MO FOR 50 MONTHS</td>
<td>$5,052 PER MO FOR 50 MONTHS</td>
</tr>
<tr>
<td><strong>YEAR 15</strong></td>
<td><strong>YEAR 15</strong></td>
</tr>
<tr>
<td>$8,966 PER MO FOR 50 MONTHS</td>
<td>$8,966 PER MO FOR 50 MONTHS</td>
</tr>
<tr>
<td>*ASSUMING NET GROWTH OF 5%</td>
<td></td>
</tr>
</tbody>
</table>

Roth on Roids LTC Strategy
The creativity genius inherit in the insurance industry is amazing, refreshing and extremely beneficial. Leveraged Care Solutions have been evolving since inception, giving Americans a total pallet of choices.

One such choice is what we refer to as the LTC/Life Insurance Combo, that has as its’ main focus a robust monthly Cash Indemnity LTC benefit with a return of premium feature and a minor life insurance benefit.

With the LTC/Life Insurance Combo plan you reposition passive assets for the purpose of creating an LTC pool of Tax-Free cash that, depending on your age, and the inclusion of an inflation rider, can be valued as much as 10 times your deposit.

The foundation of the LTC/Life Insurance Combo strategy is a life insurance policy that is immediately worth more than your initial deposit. Whenever you pass away, the Tax-Free life insurance benefit is paid out to your beneficiaries. Unlike the Legacy/LTC option, the life insurance benefit provided in the LTC/Life Combo is incidental to the plan in order to take advantage of Section 844 of the Pension Protection Act.

The LTC/Life Combo wasn’t designed to earn cash value through the years like the other Leveraged Care Solutions, but it does offer a full return of premium should you need to exit the plan after five years. The primary focus of the LTC/Life Combo is to provide a strong LTC benefit and because you are transferring a passive asset it creates enormous leverage that the transferred asset doesn’t have.

For example. Ron, a 65 year old male, has a $200,000 CD currently paying .005. This year he will earn in taxable interest a mere $1,000. Should he experience an LTC event he would have $201,000 to help finance his care. Had he transferred the $200,000 into the LTC/Life...
**Which Leveraged Care Solution is Best For You?**

These summaries compare the top Leveraged Care Solutions in each field to each other based on a male and female age 65 that are in average health. It would be well to study this comparison as it will help you determine which LCS is most appropriate for you based on your goals and objectives.

### (Assumptions: 65-year-old Male)

<table>
<thead>
<tr>
<th>POLICY TYPE</th>
<th>PREMIUM DEPOSIT</th>
<th>YEAR</th>
<th>LEGACY BENEFIT</th>
<th>CASH LIQUIDITY VALUE</th>
<th>DURATION OF CARE</th>
<th>MONTHLY CARE BENEFIT</th>
<th>TOTAL CARE POOL</th>
<th>BENEFIT WAITING PERIOD</th>
<th>CARE PAYOUT METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LTC/ANNUITY</strong></td>
<td>$100K</td>
<td>1</td>
<td>$100,727</td>
<td>$92,669</td>
<td>72 Months</td>
<td>$4,197</td>
<td>$302,180</td>
<td>Zero Calendar Days</td>
<td>Reimbursement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$104,441</td>
<td>$100,263</td>
<td></td>
<td>$4,352</td>
<td>$313,322</td>
<td>90 Days</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$115,584</td>
<td>$115,584</td>
<td></td>
<td>$4,816</td>
<td>$346,751</td>
<td>90 Days</td>
<td></td>
</tr>
<tr>
<td><strong>LIFE LEGACY/LTC</strong></td>
<td>$100K</td>
<td>1</td>
<td>$86,071</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90 Calendar Days</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$288,902</td>
<td>$103,887</td>
<td>50 Months</td>
<td>$5,778</td>
<td>$288,902</td>
<td>Indemnity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$166,945</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LTC/LIFE w/3% Simple Inflation</strong></td>
<td>$100K</td>
<td>1</td>
<td>$159,430</td>
<td>$87,144</td>
<td>72 Months</td>
<td>$5,119</td>
<td>$396,218</td>
<td>90 Calendar Days</td>
<td>Indemnity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$158,079</td>
<td>$100,000</td>
<td></td>
<td>$5,887</td>
<td>$451,504</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$123,379</td>
<td>$100,000</td>
<td></td>
<td>$8,037</td>
<td>$606,306</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### (Assumptions: 65-year-old Female)

<table>
<thead>
<tr>
<th>POLICY TYPE</th>
<th>PREMIUM DEPOSIT</th>
<th>YEAR</th>
<th>LEGACY BENEFIT</th>
<th>CASH LIQUIDITY VALUE</th>
<th>DURATION OF CARE</th>
<th>MONTHLY CARE BENEFIT</th>
<th>TOTAL CARE POOL</th>
<th>BENEFIT WAITING PERIOD</th>
<th>CARE PAYOUT METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LTC/ANNUITY</strong></td>
<td>$100K</td>
<td>1</td>
<td>$100,727</td>
<td>$92,669</td>
<td>72 Months</td>
<td>$4,197</td>
<td>$302,180</td>
<td>Zero Calendar Days</td>
<td>Reimbursement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$104,441</td>
<td>$100,263</td>
<td></td>
<td>$4,352</td>
<td>$313,322</td>
<td>90 Days</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$115,584</td>
<td>$115,584</td>
<td></td>
<td>$4,816</td>
<td>$346,751</td>
<td>90 Days</td>
<td></td>
</tr>
<tr>
<td><strong>LIFE LEGACY/LTC</strong></td>
<td>$100K</td>
<td>1</td>
<td>$86,153</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90 Calendar Days</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$321,695</td>
<td>$104,937</td>
<td>50 Months</td>
<td>$6,434</td>
<td>$321,695</td>
<td>Indemnity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$175,739</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LTC/LIFE w/3% Simple Inflation</strong></td>
<td>$100K</td>
<td>1</td>
<td>$159,968</td>
<td>$80,000</td>
<td>72 Months</td>
<td>$4,250</td>
<td>$328,945</td>
<td>90 Calendar Days</td>
<td>Indemnity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>$175,382</td>
<td>$100,000</td>
<td></td>
<td>$4,887</td>
<td>$374,844</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>$129,683</td>
<td>$100,000</td>
<td></td>
<td>$6,672</td>
<td>$503,362</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Combo Leveraged Care Solution and selected the 6 year benefit period, his LTC benefit pool would have immediately increased to $838,224 resulting in a monthly benefit of $11,642 for 72 months.

Because this is a Cash Indemnity plan, when filing a claim, as long as you show you’ve incurred at least $1 of covered Long-Term Care expenses, you’ll receive a monthly benefit payment that you can choose to spend however
After triggering the LTC provision, Leveraged Care plans pay the Tax-Free monthly care benefit in one of two ways:

1. **Reimbursement** – with this method of payout the carrier pays the actual expenses relating to Long-Term Care, up to the maximum monthly benefit and the current HIPAA limits. Most early versions of the Leveraged Care plans, including LTC Annuities, have this form of payment.

2. **Cash Indemnity** – With this method of disbursement, the carrier sends a check to the insured up to the maximum monthly benefit and the current HIPAA limits, without receipts. With the Cash Indemnity option, you can use the extra cash to help pay non-LTC related expenses.

you wish. The monthly benefit cannot exceed the per diem amount allowed by HIPAA, (currently $10,800 per month). And if you choose to receive less than your maximum monthly benefit, the difference stays in your policy, extending the length of time your benefits may last.

Unique to certain LTC/Life Combo plans is an inflation protection provision that can help your policy benefits keep up with rising costs. One A+ carrier that we work with provides three inflation protection options: 3% simple interest, 5% simple interest and 5% compound interest.

For example had Ron deposited $200,000 into the LTC/Life Combo and selected the 5% compound Inflation Protection Option, he would immediately be insured for $163,120 and his first year monthly LTC benefit would be $7,868 for 72 months. In 15 years at age 80, his monthly LTC benefit would have increased to $15,578 for a total LTC pool of $1,271,497 - Six times his initial transfer of $200,000!

As you can see the main focus of the Leveraged LTC/Life Insurance Combo strategy is to provide for strong LTC benefits by repositioning a passive asset.

One concern that I hear when discussing repositioning a stagnant asset into a Leveraged Care Option is the potential need to use the money for an emergency. Exclusive to one carrier we work with is a full return of premium feature that is available beginning in the 6th year. Complete liquidity of your deposit is available at that time. In addition the same carrier offers a $1,000 caregiver training benefit, a $5,000 Home Modification Benefit and a minimum life insurance benefit equal to 10% of your initial face amount to a maximum of $10,000 should you use up all of your LTC eligibility.

To qualify for the LTC/Life Combo, eligible applicants pass a simple 30 minute phone interview with no exam or lab tests.
The True Cost

Anytime I make a major consumer purchase I break down the true cost of that good or service. It should be no different when acquiring a Leveraged Care Solution.

**For example.** John is 68 and his wife Roberta is 64. They have set aside $200,000 in a CD for a potential Long-Term Care event. The CD is earning 1% before tax and .0075% after. They read this Special Report and decide to transfer the CD from their left pocket to their right pocket and secure the LTC/Life option. They reposition $100,000 of the CD into a plan for John and $100,000 for Roberta. By depositing $100,000 each into the top LTC/Life plan, John’s monthly care benefit will be $5,200 a month for 72 months, with an immediate life insurance benefit of $150,000. Roberta’s monthly care benefit is $6,200 a month and her life insurance benefit is $188,000.

In 5 years, they are both very much alive and a tree falls on their house and they need to take out all of their money from their Leveraged Care Solution plans.

First, the LTC/Life plan they selected has a provision that should they need to exit after the 5th year, they are guaranteed a return of all of their deposit. So they would be handed back the $200,000, without interest. So what would their TRUE COST be for 5 years of coverage?

Had they left the money in their CD for the 5 years, the after taxed compounded interest earnings would have been $7,612. So the cost for the 5 years of LTC coverage with their LTC/Life Combo would have been the use of the $200,000 they transferred, or $7,612.

But that’s not the REAL COST. Because to be fair, instead of acquiring their two individual LTC/Life Combo plans, John and Roberta would have had to obtain a standalone, “use it or lose it” LTC policy for the same amount of coverage for the 5 years. Had they been able to qualify (which is no small feat today) John’s LTC policy would have cost him $2,180 a year, or $10,900 over the 5 years. Roberta’s premium, even with a couple’s discount, would have been $2,955 per year or $14,775 for the 5 years, resulting in a total combined premium payment of $25,675, ($10,900 + $14,775 = $25,675).

To really be fair and find the TRUE COST we need to bring back the whopping $7,612 we earned in the CD that we left with the bank and subtract it from the cost of the two standalone LTC policies. So the total REAL COST for NOT transferring the $200,000 for the 5 years into our recommended Leveraged Care LTC/Life Combo plan would be $18,063!

**Bottom Line:** If you have some idle cash in a CD or Money Market and you want to protect yourself from a Long-Term Care event, it will cost you dearly if you do not reposition that cash into a Leveraged Care Solution. Period.

Where else can you reposition your low yielding assets and receive the kind of leveraged benefits you can from a Leveraged Care Solution? There is nothing like it anywhere. $200,000 in a CD, money market account, or even a mutual fund is worth $200,000, nothing more. With each of the Leveraged Care Solutions you have so much more, and definitely more peace of mind.
Which Leverage Care Solution is Best for You?

The other day I spoke with a couple from Michigan that called after reading an article about Leveraged Care Solutions in Bob Carlson’s newsletter, Retirement Watch. Bob had recommended our firm as “The Source” for unbiased answers. After discussing each LCS option the husband said, “We really see the benefit of either choice, so which options do you recommend for us?”

That really put me on the spot. I usually like clients to make that decision on their own. Since they had over $300,000 low yielding savings, the field was wide open.

So in order to provide them with an answer I asked them a series of questions. Questions that you may want to ask yourself when considering which Leveraged Care Solution is best for you:

1) How is your health?

2) Do you mainly want to generate a LTC benefit?

3) Do you want LTC Coverage for both you and your spouse?

4) Where are the funds now that you wish to reposition? How much do you have to transfer now? Would it be best if you transferred your assets over time?
The Leveraged Care Solutions decision path starts with your current health status. However there are other variables that have an impact in determining which solution is best suited for you and your spouse.
5) Is the money you were considering transferring currently in a “qualified” account, like an IRA, 403b or 401k?

6) In addition to providing the means to take care of a potential LTC event, do you want to create a sizable guaranteed Tax-Free cash legacy for your family?

7) Do you want to accumulate cash value in your LCS, or is a guaranteed return of premium more important?

8) Do you have an existing annuity that has significant taxable gains?

9) Do you want a carrier that has a high Comdex financial rating?

10) How long do you want your care benefits to pay out?

After careful consideration and answering each question, they determined which Leverage Care Solution option was the best for them. The key ingredient that led them to a “green light” decision to move forward was that they totally understood what it meant to leverage pennies today to create significant dollars in the future should they ever experience a Long-Term Care event.

They understood that the Leveraged Care Solution isn’t a “use it or lose it” proposition. It is, as I have said repeatedly in this report a transfer of an asset (usually a low yielding asset) from one pocket to another. It is simply a repositioning of those assets, not an expenditure.

A Final Note:

Cable TV, car payments, dinner for two, home owner’s insurance and traditional Long-Term Care insurance are examples of an expense. Something we have to budget for. Leveraged Care Solutions are, simply put: an asset transferred - from your left pocket to your right pocket. When you list your assets on your balance sheet, your LCS Plan will be on the left side of the ledger. A positive entry.

More important however, is the fact that your Leveraged Care Solution will provide the needed funds to take care of your long term medical expenses should you ever be in a position where you cannot perform 2 of the 6 Activities of Daily or you become cognitively impaired. If you are fortunate to never trigger the LTC provision of your LCS Plan, an expanded benefit is passed to your beneficiaries.

The Federal government cannot take care of our long term medical expenses. It just isn’t realistic. There are too many of us. We constantly see and hear evidence of how Social Security is in serious jeopardy. If this is true, how in the world can the feds add more long term medical care to the deficit?

This responsibility falls on our shoulders. Unless we are willing to trade in everything we have to qualify for a federal handout, we need to step it up and meet this crisis head on.

Leveraged Care Solutions are the most sensible and practical way to do just that. You owe it to yourself and your family to protect what you have worked a lifetime to create. Call our office today: 1-888-892-1102 to request your application, personalized illustration, and information packet.
Why work with us?

Of critical importance when making a selection as to which Leveraged Care Solution you want to transfer your funds into is having the confidence in knowing that you have chosen the absolute best plan available. Being the sole Leveraged Care Solution resource for the top financial minds in the world, such as Mark Skousen (Forecasts & Strategies), Dr. David Eifrig (Retirement Millionaire), Robert Carlson (Retirement Watch), Tony Sagami, (Dominators & Disruptors), we need to know the market.

Our research team is continuously in evaluation mode. When a new product or concept is introduced, we know about it. Then after careful review we determine the merits of the offering and rank it within the group. Our goal is to provide our clients and the subscribers of these top financial authors the most competitive solution available anywhere in all 50 states.

For example, one LTC/Life Combo plan that is recommended by most of the wire houses today provides all the same features as another product. The main difference is that the product offered by the wire houses provides a Reimbursement benefit while the other offers a Cash Indemnity benefit. Stock brokers usually don’t know the difference. An ordinary consumer wouldn’t know the difference. As experts in this field we not only know the difference, we can give you a choice to select the plan best suited for you. One size does not fit all.

**ACTION ITEM:** Pick up the phone and call our office today for a brief suitability review. Next you will want to review your options and submit an application to see if you can qualify. Call today while you are thinking about it: 1-888-892-1102.
FULL NAME

DATE OF BIRTH / /  SMOKER Yes [ ] No [ ]

SPOUSE’S NAME

DATE OF BIRTH / /  SMOKER Yes [ ] No [ ]

EMAIL

ADDRESS

CITY STATE ZIP CODE

PHONE BEST TIME TO CALL

Medical:

1. Within the past five years have either of you been confined to a hospital, clinic, or medical facility? Yes [ ] No [ ] Details of confinement:

2. Have either of you been advised by a physician that you have: (Check all that apply)
   [ ] Cancer  [ ] Heart Disease  [ ] Rheumatoid Arthritis
   [ ] Stroke  [ ] Diabetes (Insulin Dependent)  [ ] Kidney Failure

Financial:

Qualified Accounts (IRA, 401K, etc): $ ______________________________
Combined Annual Income: $ ______________________________
Combined Net Worth: $ ______________________________

Illustrate: Yes [ ] Mr. Phillips, I am interested in finding out how I can leverage my assets today for a multiplied amount of care tomorrow. Please prepare for me, at no cost, my personalized Leveraged Care Solution Analysis based on the following information:

1. Which Leveraged Care Solutions would you like us to illustrate?
   [ ] LTC/Annuity Combo  [ ] Individual  [ ] Joint with a total lump sum deposit of ______________________________
   [ ] Life Legacy/LTC Combo (Individuals Only) with a lump sum deposit of ______________________________
   or with an annual deposit of ______________________________ for _______ years
   [ ] LTC/Life Combo (Individuals Only) with a lump sum deposit of ______________________________
MYTH #1
My family will take care of me.
Time, distance, and both spouses working have made it more difficult for many families to provide all the care needed. Even if family members can find the time to provide care, it can often take its toll on the caregiver. If you were suddenly in need of Long-Term Care, imagine the physical, emotional and financial burden it could cause your family. Long-Term Care Insurance can help preserve your independence without burdening others.

MYTH #2
I’ll just pay it myself.
The national average for one year’s stay in a private nursing home is over $95,000. Assisted living costs more than $45,000 and in-home care is over $35,000. Keep in mind these are just the averages. Factor in inflation and taxation to liquidate your assets to pay for the exorbitant Long-Term Care costs and it won’t take long to burn through your life’s savings.

MYTH #3
The government’s health care will take care of me.
Medicare, conventional health insurance, and HMOs generally cover only skilled care. Most Long-Term Care is not skilled care, and only covers the first 100 days of skilled care in a nursing home. Disability income insurance does not cover Long-Term Care services, and Medicaid has strict limitations which require you to become impoverished in order to qualify.

MYTH #4
I can’t afford Long-Term Care Insurance and it’s a use it or lose it proposition.
You can transfer assets such as: brokerage accounts, CDs, annuities, IRAs and cash into the Leveraged Care Solution which will provide multiple times their value in Long-Term Care protection. These leveraged assets will continue to grow in value and remain in the plus column of your balance sheet. What you don’t end up using for yourself in LTC benefits can be left behind to your loved ones or charities of your choice.

MYTH #5
It won’t happen to me, besides I’m too young.
If you are a female age 65 or older you have an 80% chance of needing Long-Term Care at some point in your life. Males have a 60% chance. But it’s not just for those 65 and older. In fact, 37% of individuals requiring Long-Term Care are under the age of 65.

Strategic protection from the trusted specialists.
LEVERAGED CARE SOLUTIONS

ANSWERS TO TODAY’S LONG-TERM CARE CRISIS

Other books by
David and Todd Phillips

If you have any questions, please call toll-free 1.888.892.1102

epmez.com