Your Financial Future: How Will You Pay For Long-Term Illness Care?

Chronic illness riders for life insurance can help minimize unexpected financial strain due to a chronic illness by providing funds while LIVING.

Policies issued by: American General Life Insurance Company, a member of American International Group, Inc (AIG)

**WILL IT HAPPEN TO YOU?**

7 in 10 people turning 65 will need long-term care at some point in their lives.¹

The average 65 year old couple will need as much as $400,000 for health care expenses in retirement.²

1 in 5 of today’s 65 year olds will need long term care support for more than 5 years at some point in their lives.³

**WHERE WILL CARE COME FROM?**

3 out of 4 people who need long-term care live in private homes

An additional 1 million home care workers will be needed by 2026.⁴

Nearly two thirds of family caregivers are female (60%)⁵

Over 43 million people in the US have been an UNPAID CAREGIVER in the last 12 months.

80% of at-home care is provided by unpaid caregivers⁵

The “average” caregiver:

Female, 49 years old

Spends 20 hrs/week providing unpaid care

Works full-time outside the home

Has been a caregiver for nearly 4 years

Footnotes:

¹ 3 out of 4 people who need long-term care live in private homes
² The average 65 year old couple will need as much as $400,000 for health care expenses in retirement
³ 1 in 5 of today’s 65 year olds will need long term care support for more than 5 years at some point in their lives
⁴ An additional 1 million home care workers will be needed by 2026
⁵ Nearly two thirds of family caregivers are female (60%)
**WILL YOU BE ABLE TO AFFORD LONG-TERM CARE?**

**2018 Annual Median Cost of Long-Term Care:**

- **$100,375**
  - Nursing Home (private)
- **$89,297**
  - Nursing Home (semi-private)
- **$50,336**
  - Home Health Aide
- **$48,048**
  - Homemaker Services
- **$48,000**
  - Assisted Living Facility
- **$18,720**
  - Adult Day Health Center

**BEYOND 100 DAYS**

Medicare pays **$0** for long-term care services.

**Access your own life insurance benefits while living.** By adding the Accelerated Access Solution chronic illness rider to a select life insurance policy, you can access your income tax-free life insurance benefits, if diagnosed with a chronic illness.

**IMPORTANT CONSUMER DISCLOSURES REGARDING ACCELERATED BENEFIT RIDERS**

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to access some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy’s death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned upon certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

1. US Dept. of Health and Human Services 10/10/2017
   (longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html)
2. Savings: Medicare Beneficiaries Need for Health Expenses: Some Couples Could Need As Much As $400,000, up from $370,000 in 2017; Employee Benefit Research Institute; Oct. 8, 2018
5. Who Will Provide Your Care? September 21, 2018; https://longtermcare.acl.gov/the-basics/who-will-provide-your-care.html
8. Genworth 2018 Cost of Care Survey, Home Care Providers, Adult Day Health Care Facilities, Assisted Living Facilities and Nursing Homes; 10/9/2018
9. If the annual amount received by the policy owner for chronic illness benefits from all applicable sources exceeds the actual cost of care in a year or exceeds the IRS per diem exclusion limit aggregated for the portion of the year during which the Insured Person was certified as being chronically ill, some of the benefits may be taxable. Policy owners should consult their own tax advisors regarding how receipt of the benefit will apply to their own tax situation.

Learn more at [www.RetireStronger.com](http://www.RetireStronger.com)

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