How to Utilize an IRA for Long Term Care Protection

The Concept

A full or partial transfer of an existing IRA to a new one that internally funds a 20-pay whole life policy with accelerated death benefits for qualifying LTC expenses. The IRA policy is funded at issue while the whole life policy is funded through annual RMD withdrawals from the new IRA annuity. Life policy is paid up after 20 years.

Company – Product

State Life, rated A+ *(Superior)* and the product is Asset Care III

Key Features

Return of premium for all years
Single *or* joint policy
Simplified underwriting
Tax favored reimbursements for LTC expenses
    -2% of IRA annuity value – *taxable*
    -2% of life insurance face amount – *tax free*
Life policy LTC benefits increase over a 20 year payment period
Life premiums will not increase and policy has cash value growth
3% minimum interest rate on IRA annuity
Minimum 4% interest rate on life policy
Company calculates the RMD and internally deposits into life policy. A 1099 is issued for RMDs.
Benefit payments are "reimbursements" subject to a monthly maximum
All levels of LTC are covered – HHC, Adult day Care, Nursing Home, Hospice, Assisted Living etc.

Best Sales Opportunity

IRA owners who plan on using their tax qualified funds to pay for LTC expenses for themselves and *or* their spouses will be great prospects. Look for clients who would rather self-insure instead of paying long term care premiums and make sure they don't need their IRA for income.

Call Pat Way CLU, ChFC for More Information @ (800) 825-5279