

# AN ALTERNATIVE TO STAND-ALONE LONG TERM CARE INSURANCE

Life insurance with a Long Term Care rider may be an option for you.

## FLEXIBILITY, CONVENIENCE, AND VALUE FOR YOU

Many know the value of owning life insurance — security, tax advantages inherent in the policy and the peace of mind that comes with it, but fewer know the benefits of the Long Term Care (LTC) rider.<sup>3</sup> A Guardian® life insurance policy with an LTC insurance rider allows you to address two protection needs with one product, providing the protection of a death benefit and a source to help pay for long term care expenses.

## HOW IT WORKS

Guardian's Accelerated Death Benefit for Long Term Care Services Rider (Long Term Care rider)<sup>4</sup> allows you to accelerate a portion of the life insurance policy's death benefit if the need for long term care services arises during your lifetime.<sup>5</sup> The rider can provide a flexible, efficient alternative to other sources of funding. It can help relieve the financial strain many families experience when there is a need for long term care.



## HEALTH CARE COSTS CONTINUE TO RISE

By 2050, the number of people who will need assistance in their Activities of Daily Living (ADL) is projected to approach 15 million, up from 6.3 million in 2016.<sup>1</sup>



It costs \$253 on average, per day, for a private room in a nursing home in the United States (in 2016).<sup>2</sup> That's:

- \$7,698 per month; or
- \$92,376 per year

These costs can vary greatly by the type of care received and geographical location.

### Having the Long Term Care rider in place can help:

- Eliminate unplanned financial surprises related to long term care
- Put you in control of the type of care you receive and where you receive it
- Lift the burden of financial responsibility from family and friends
- Maintain the lifestyle your spouse or partner now enjoys
- Conserve wealth, potentially allowing you to leave the legacy you intended



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<sup>1</sup> National Association of Insurance Commissioners and Center for Insurance Policy and Research. "The State of Long-Term Care Insurance: The Market, Challenges and Future Innovations." May 2016.

<sup>2</sup> National Clearinghouse for Long Term Care Information, [longtermcare.acl.gov](http://longtermcare.acl.gov) – based on 2016 statistics.

<sup>3</sup> The rider is available at an additional charge. Rider charges may be changed by the company at any time, not to exceed a guaranteed maximum.

<sup>4</sup> The Accelerated Death Benefit for Long Term Care Services Rider is marketed as Guardian's Long Term Care Rider.

<sup>5</sup> Subject to a 90-day elimination period.

## GUARDIAN'S LONG TERM CARE RIDER WITH A LIFE POLICY AT-A-GLANCE

ATTRIBUTES	DETAILS
LTC BENEFIT POOL	Policy owner determines the maximum cumulative benefit, up to 90% of the face amount
MAXIMUM MONTHLY BENEFIT	The lesser of: <ul style="list-style-type: none"> <li>• 2% of the LTC Pool; or</li> <li>• 2 times the monthly IRS limit<sup>6</sup></li> </ul>
TAX QUALIFIED	Guardian's LTC Rider uses a tax-qualified design under 7702B of the IRS code. That means LTC Rider benefits may get favorable tax treatment. <sup>7</sup>
CHOICE OF CARE LOCATIONS	Long term care facility, assisted care facility, home health care

### EXAMPLE:

Let's assume the initial death benefit for your policy is \$1,000,000. If you've elected the maximum LTC Pool, **90%** of your policy's face amount — or **\$900,000** — will be available for acceleration under the LTC rider over the life of the policy. When you need to use your LTC coverage and start receiving monthly payments, you can accelerate a maximum monthly amount equal to the lesser of:

- 2% of the LTC Pool — \$18,000; OR
- 2 times the monthly IRS limit<sup>6</sup> — \$21,600.

In this example, your permissible amount each month is **\$18,000**.

### GUARDIAN'S INDEMNITY LONG TERM CARE BENEFIT — SIMPLER FOR YOU

Because we want you to focus on getting better, Guardian's Long Term Care rider provides an indemnity-type benefit. Under this type of benefit, you are not required to continually submit bills and receipts each month in order to receive monthly benefit payments, as is the case with reimbursement-style LTC coverage from other companies.<sup>8</sup> This simplifies the process when requesting your benefits, so you can focus on you — not your bills.

<sup>6</sup> 2 times the monthly IRS limit is defined as 60 times the Health Insurance Portability and Accountability Act (HIPAA) per diem limit. The per diem limit for 2018 is \$360 and may be adjusted annually for inflation.

<sup>7</sup> Guardian, its subsidiaries, agents, and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation.

<sup>8</sup> Guardian may periodically require you to submit documentation that you received care during the elimination period and incurred costs.

In order to receive the LTC Rider you must apply for the Rider along with the life insurance policy. If we decline to issue the policy we will not issue the LTC Rider. We separately underwrite the LTC Rider and may decline to issue it even if we issue the life insurance policy.

Applying for the Accelerated Death Benefit for Long Term Care Services (LTC) Rider may require a medical exam to determine eligibility.

There are some limitations and exclusions to when the rider can be exercised, which you should review with your Guardian representative and tax advisor before electing the Long Term Care Services Rider.

Guardian's Current Assumption Universal Life is issued on Policy Form ICC18-CAUL.

Guardian's Long Term Care Rider is issued on Rider Forms ICC13-LTCR and ICC18-LTCR UL.

Guardian Whole Life Products are issued on Policy Forms ICC11-WL 10, ICC12-L20, ICC12-L65, ICC14-L95, ICC14-L99, and ICC14-L121.

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