

LTC Insurance Explained Clearly



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Planning for What Lies Ahead

Most people don't wake up thinking about long-term care. But at some point—through a parent, a friend, or a personal experience—it becomes real. The cost – The time commitment – The impact on family. The question starts to form - **“How would I handle this if it happened to me?”**

The Opportunity Most People Miss

Many individuals already have assets that could help solve this problem:

- Life insurance policies with cash value
- Non-qualified annuities
- Idle cash on their personal balance sheet
- Or simply the ability to fund a plan during working years

The key isn't always starting over. It's **repositioning what you already have or intentionally building a plan while you still can.**

What You'll See in These Case Studies

- Repurposed life insurance into long-term care protection
- Repositioned annuities to create immediate leverage for care
- Coordinated multiple policies into one cohesive plan
- Navigated health challenges with creative solutions
- Built a plan from scratch using monthly premiums

A Simple Idea with a Powerful Impact

Long-term care planning is about two things:

- **Protecting your assets**
- **Protecting your family from the burden of care**

Could This Apply to You?

You may want to explore your options if:

- You own a life insurance policy with cash value
- You have an annuity you may not need for income

- Your need for life insurance has changed
- You've seen the impact of long-term care firsthand
- You want to avoid being a burden on your family

Request a Custom Proposal

Every situation is different. If you'd like to see what this could look like for you, the next step is simple:

[Request a Custom Proposal](#)

You'll receive a personalized look at your options so you can make an informed decision about what makes sense for you.

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Case Study #1 - An Old Policy. A New Purpose.

Client Profile

- **Age:** 50
- **Status:** Single, no children

Primary Concern: Who will care for me—and how will I pay for it?

The Situation

She made a smart decision years ago.

In 2008, she purchased a life insurance policy as a way to build savings and provide protection. Over time, it grew to nearly **\$80,000 in cash value** with a **\$1,000,000 death benefit**.

But at age 50, her life looked different.

No spouse. No children. No one depending on that death benefit.

Instead, a new question emerged:

“If I need care one day, how do I make sure I’m covered?”

The Challenge & The Strategy

Challenge

Her policy was doing what it was designed to do...

It just wasn't solving the right problem anymore.

She didn't want to waste what she had built—but she needed it to serve a new purpose.

The Strategy

Rather than starting over, she **repositioned the \$78,595 of cash value** into a plan designed for **long-term care**.

Same dollars.

A completely different outcome.

The Outcome

At age 50, her new plan provided:

- **\$4,857/month** for long-term care
- **\$377,000 total pool of benefits**
- **3% compound inflation protection**

By age 80:

- **\$11,448/month** for long-term care
- **\$888,604 total pool of benefits**

What was once a policy she no longer needed became a **growing source of funds for future care**. And the policy was paid in full - no more premium contributions.

Why This Matters & Key Takeaways

Why This Matters

Planning isn't static.

What made sense years ago may not fit today.

But that doesn't mean you start over.

Sometimes, the best solution is simply repositioning what you already have.

Key Takeaways

Old policies can often be **repurposed for new priorities**.

Long-term care planning doesn't always require new money.

Inflation protection helps your coverage grow when you need it most.

A simple review can uncover opportunities hiding in plain sight.

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Case Study #2 - Planning Ahead - Before It Becomes Urgent

Client Profile

- **Age:** 56
- **Status:** Married, two children in college

Primary Concern: Protecting assets and preserving an inheritance for her children.

The Situation

She had seen it up close.

Her father was receiving long-term care at home, and she was struck by how quickly the costs added up. What seemed manageable at first became expensive—and ongoing.

It raised a bigger question for her: **“What would this look like for us?”**

She didn’t want care expenses to slowly drain the assets she and her husband had worked hard to build—or leave nothing behind for their children.

The Challenge & The Strategy

Challenge

Like others, she didn’t have an existing policy or asset to reposition.

She still needed to **create a plan from scratch.**

She wanted **strong coverage with long-term protection.**

And she needed it to fit within her **current income and lifestyle.**

The Strategy

She chose to fund a long-term care plan with **monthly premiums**, aligning it with her working years.

Premium: Just under \$1,200/month

Payment Period: 10 years

Her goal was clear: Build meaningful protection now while she still had the income to support it.

The Outcome

Her policy was designed to provide:

- **\$7,000/month** in long-term care benefits
- **6 years of coverage**
- **3% compound inflation protection**
- **\$543,000 initial pool of benefits**

Over time, that protection grows significantly.

By age 85:

- **\$16,400/month**
- **\$1,280,000 total pool of benefits**

And if she never needs care:

- **\$168,000 death benefit** to her husband

She created a **rich, growing pool of protection**—funded during her working years, designed for the years ahead.

Why This Matters & Key Takeaways

Why This Matters

Not every plan starts with an existing asset.

Sometimes, the opportunity is simply recognizing the risk early—and taking action while you still have time and income on your side.

She didn't wait until care was needed.

She planned while she had options.

Key Takeaways

You can build a strong long-term care plan with **monthly funding**.

Planning during working years creates flexibility and control.

Inflation protection significantly increases future coverage.

Acting early helps protect both assets and family legacy.

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Case Study #3 Turning An Idle Asset Into Protection for Spouses

Client Profile

- **Ages:** 65 husband, 63 wife
- **Status:** Married

Primary Concern: The emotional and financial cost of long-term care

The Situation

They had done a good job preparing for retirement. In 2014, they funded a **non-qualified annuity with \$50,000**, planning to use it for future income.

By 2026, it had grown to about **\$120,000**. But their plan had evolved.

They had built other income sources and no longer needed this annuity for retirement income.

At the same time, long-term care became very real.

The wife had been helping care for her father—spending her days with him until it eventually became too much, and outside help was needed. The experience brought clarity:

Care doesn't just cost money... it costs time, energy, and family balance.

The Challenge & The Strategy

Challenge

They had an asset—but it wasn't solving the right problem anymore.

The annuity was no longer needed for income and LTC had become a real concern.

They wanted to use what they already had to prepare for what could come.

The Strategy

Instead of leaving the annuity idle, they **repositioned the \$120,000** into a solution designed for long-term care.

The goal was simple:

Take a dormant asset and turn it into meaningful protection for both of them.

The Outcome

Immediately, their repositioned annuity provided:

\$360,000 pool of long-term care benefits (3x leverage)

\$3,419/month for care

Over time, the protection grows.

By year 20:

- **\$597,000 total pool of benefits**
- **\$5,532/month** for care

And if they never needed care:

- The annuity value grew to **nearly \$200,000**, available for income or passed to their beneficiaries.

Why This Matters & Key Takeaways

Why This Matters

Not every asset needs to stay in its original role.

In their case, what was once meant for income became far more valuable as **protection against a risk they had personally experienced**.

They didn't add new money.

They simply made their asset work differently.

Key Takeaways

Assets originally intended for income can be repurposed for care.

Long-term care impacts both finances and family dynamics.

Annuities with LTC benefits can create immediate leverage.

You can maintain flexibility—care benefits, income access, or legacy.

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Case Study #4 - Coordinating Multiple Policies Into One Plan

Client Profile

- **Ages:** 65 husband, 62 wife
- **Status:** Married, three adult children

Primary Concern: Creating long-term care protection covering both spouses on a shared plan.

The Situation

Over the years, they had built several life insurance policies. The wife owned two policies with **\$56,000 in cash value**, and the husband had one with **\$175,000 in cash value**, all purchased between 2006 and 2010.

At one point, those policies made perfect sense. But now, their children were grown and financially independent.

The need for life insurance had faded. What hadn't faded...their concern about long-term care.

Both had walked through it with their own parents and understood the impact—financially and emotionally. **This time, they wanted a plan that covered both.**

The Challenge & The Strategy

Challenge

They had the assets—but there was a complication. They wanted a **shared policy covering both spouses**.

But existing individual life insurance policies can't be directly combined into a joint policy.

They also needed to be mindful of **potential income taxes** when surrendering their current policies.

The Strategy

First, they were approved. Then they funded it using **other available savings**.

Once the new coverage was in place they **surrendered their existing policies** and used those proceeds to **replenish the funds** they had used.

It required a few extra steps—but it allowed them to achieve exactly what they wanted.

The Outcome

With **\$230,000 deposited**, their new plan provided:

- **\$6,560/month per person** for long-term care
- **\$700,043 total pool of benefits**
- **3% compound inflation protection**

They successfully repositioned multiple policies into **one coordinated solution covering both of them**.

Why This Matters & Key Takeaways

Why This Matters

Not every solution is a straight line.

Sometimes, getting to the right outcome requires understanding the rules—and working within them.

In this case, they turned multiple outdated policies into a single, shared plan that better matched their lives today.

Key Takeaways

Multiple policies can often be repositioned—even if not directly combined.

Joint long-term care coverage may require a more thoughtful funding approach.

Be aware of **potential tax implications** when surrendering policies.

With the right structure, you can align your assets with your current priorities.

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Case Study #5 - When The First Plan Doesn't Work

Client Profile

- **Ages:** 52 husband, 50 wife
- **Status:** Married, 2 children in high school

Primary Concern: Securing long-term care coverage for both spouses without using new savings

The Situation

They were thinking ahead—but also dealing with reality. The wife had been caring for both of her parents, and long-term care had become a very real concern for both of them.

At the same time, the husband owned a life insurance policy with **\$300,000 in cash value** purchased for a forced savings plan, with a **\$1,000,000 death benefit**, originally purchased in 2013.

By 2025, he no longer wanted to continue funding it. Their situation had shifted:

- The need for life insurance had **decreased—but not disappeared**.
- They wanted to **reposition what they already had**, not use new savings.
- And ideally, they wanted a plan that covered **both**.

The Challenge & The Strategy

Challenge

The path forward wasn't straightforward.

You can't move a single-life policy directly into a joint policy.

And during underwriting, **one spouse had health concerns** that made joint coverage unavailable.

What they wanted... and what was possible... didn't initially line up.

The Strategy

Instead of forcing one solution, we adjusted and spouses were covered on 2 separate policies.

We **split the existing asset strategically** to create meaningful coverage for both.

The key insight - different tools can solve the same problem—especially when health is a factor.

The Outcome

The \$300,000 of cash value was successfully repositioned and split between both spouses.

- \$75,000 funded a hybrid life + long-term care policy for one spouse
- \$225,000 funded an annuity-based long-term care plan for the other

Together, this created meaningful long-term care protection for both, despite underwriting limitations.

The husband maintained separate life insurance coverage through his existing term policy.

No additional savings were required to implement the plan.

Even with health challenges and structural limitations, they were able to turn one existing asset into coverage for both spouses—aligned with what mattered most today.

Why This Matters & Key Takeaways

Why This Matters

Planning doesn't always go exactly as expected—especially when health is involved.

But that doesn't mean the opportunity is gone.

Sometimes, the best outcomes are from being flexible and using **multiple solutions to reach the same goal.**

Key Takeaways

Health can impact which solutions are available—but not whether planning is possible.

Different strategies can be combined to create coverage for both spouses.

Existing life insurance can still be repurposed, even in more complex situations.

Always consider potential tax implications when surrendering a policy.

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Case Study #6 - From Watching It Happen to Planning for It

Client Profile

- **Age:** Male, age 59
- **Status:** Married, three grown children

Primary Concern: Avoiding burdening his children and the high cost of long-term care services

The Situation

He was living it in real time.

At 59, he was actively helping oversee care for his parents—and seeing firsthand the emotional and financial strain it can create.

At the same time, he owned a **whole life policy** with **\$180,430 in cash value** and a **\$500,000 death benefit**, originally purchased in 2007.

But his life had changed. His kids were grown and out of the house. The need for life insurance protection had faded. What hadn't faded...***was the reality of long-term care.***

The Challenge & The Strategy

Challenge

His policy was still in force—but it no longer matched what mattered most.

He didn't want to continue paying premiums

He didn't need the same level of death benefit.

He wanted protection against the very thing he was experiencing with his parents.

The Strategy

We reviewed his options—keep it, reduce it, or redeploy it.

What stood out to him was the opportunity to **repurpose the \$180,430 of cash value** into a plan designed specifically for long-term care.

Instead of continuing to fund a policy he had outgrown, he redirected it toward a risk he clearly understood.

The Outcome

After repositioning the policy, he now has:

- **\$11,952/month** for long-term care
- **\$600,000+ total pool of benefits**
- **3% compound inflation protection** which increases the benefit annually
- **4 years of coverage**

And if he never needs care:

- **\$286,894 death benefit** to his wife

What was once a policy focused on protection became a plan built for **both care and flexibility**.

Why This Matters & Key Takeaways

Why This Matters

Sometimes the clearest planning moments come from experience.

He wasn't guessing about long-term care—he was living it through his parents.

Instead of reacting later, he made a decision now... **using an asset he already had.**

Key Takeaways

Life insurance needs often decrease as children become independent.

Existing policies can be repositioned to address new risks.

Long-term care becomes more real when you see it firsthand.

You can create both care coverage and a fallback death benefit.