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Can your Life Insurance policy pay for Long Term Care expenses?

If your Life Insurance coverage is provided through FEGLI then unfortunately the answer is no. Even if you do have an individual life insurance policy outside of FEGLI the answer is still probably no. Only life insurance plans issued in the past few years have a provision which permits for the death benefit to be used all or partially for the expenses resulting from long-term care treatment. Approximately 70% of Americans don't have the right type or amount of Life insurance coverage to meet their needs. I encourage you to consider a life insurance policy that allows the insured to receive a part of the death benefit to pay long term care bills which will ultimately pay out any remaining balance at the time of the insureds death. This assures that premiums paid won't be for nothing. It makes a lot of sense when you consider that a stand alone long- term care insurance plan can be quite costly especially if you're fortunate enough not to require the benefits. There is typically no return of premium or refund available.

I feel it's very important to be proactive and not procrastinate on such a vital part of your retirement and estate planning. Don't wait until your health has potentially changed for the worse or you've attained an age that makes it more difficult to secure a superior Life insurance plan. Even if you're not concerned about the possible expense of long term care needs and you don't feel you need insurance coverage to pay the for the resulting bills should care be needed, you too might benefit from a thorough Life insurance review.

I recommend working with a Chartered Life Underwriter (CLU) to help you evaluate the right amount and type of life insurance for your needs. As a Certified Financial Planner (CFP) and a CLU with over 30 years of experience advising federal employees on how to navigate and make the most of their benefits, I welcome the opportunity to address the potential long term care needs of my clients as well as the need for a death benefit all with one cost effective policy. I assure you I will provide you with prudent advice.

A common way to find motivation to schedule a Life insurance appraisal is usually after you've witnessed your own rates going up. If your primary coverage is through FEGLI then it would be in your best interest to know what's in store for you if you intend on maintaining a substantial amount of coverage though the plan over the years. FEGLI Option B is very affordable and priced fairly at many ages but it should be noted that the cost of the coverage goes up every five years beginning at age 35 until it peaks at age 80 as shown below.

FEGLI \$500,000 Life Insurance Option B Monthly Premium Comparison

Age 50	\$119
Age 60	\$476
Age 70	\$1,040
Age 80	\$2,860

Also, Option B isn't set up to reward those of you in good health or if you're a non-smoker. It has unisex rates so women who would normally pay less than a male with similar health and attained age are not able to capitalize on any savings unless they are proactive and secure coverage outside of the FEGLI plan.

Making informed smart decisions can make a significant impact on your retirement and the estate you leave to your heirs. I will be conducting a Zoom meeting soon to allow for interactive feedback pertaining to all the nuances of the FEGLI plan plus I'll be explaining how the right Life insurance plan can even serve as part of a retiring Federal employees survivor annuity. Contact me for an invitation to participate.

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