



# An alternative to independent long term care insurance

Life insurance featuring a long term care rider may be an option for you.

## Flexibility, convenience, and value for you

Many know the value life insurance can provide: the guaranteed death benefit, the tax advantages, and the financial confidence that comes with it. But, fewer know the benefits of a Long Term Care (LTC) rider.<sup>1,2</sup> A Guardian life insurance policy with an LTC rider can help you address two protection needs with one product. Whole life insurance with the LTC rider provides the protection of a death benefit and can be a source to help pay for long term care expenses.

## How it works

With Guardian's Long Term Care rider (Accelerated Death Benefit for Long Term Care Services rider),<sup>3</sup> acceleration of a portion of the policy's death benefit is possible, if needed for long term care services during your lifetime.<sup>4</sup> The rider can provide a flexible, efficient alternative to other sources of funding and can help relieve the financial strain many families experience when there's a need for long term care.



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

- Eliminate unplanned financial burdens related to long term care
- Stay 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 enjoys now
- Conserve wealth, potentially allowing you to leave the legacy you intended

## Health care costs continue to rise

According to [www.longtermcare.gov](http://www.longtermcare.gov), it costs \$253, on average, per day, for a private room in a nursing home in the United States (in 2016).<sup>5</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.

**\$7,698 per month**

**\$92,376 per year**

<sup>1</sup> All whole life insurance policy guarantees are subject to the timely payment of all required premiums and the claims paying ability of the issuing insurance company. Policy loans and withdrawals affect the guarantees by reducing the policy's death benefit and cash values.

<sup>2</sup> This rider is available at an additional charge.

<sup>3</sup> The Accelerated Death Benefit for Long Term Care Services Rider is marketed as Guardian's Long Term Care Rider.

<sup>4</sup> Subject to a 90-day elimination period.

<sup>5</sup> National Clearinghouse for Long Term Care Information, [www.longtermcare.gov](http://www.longtermcare.gov) — based on 2016 statistics, site last updated January 4, 2021, accessed March 10, 2022.

## 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 95% of the face amount
Maximum Monthly Benefit	The lesser of: <ul style="list-style-type: none"><li>• 2% or 4% of the LTC Pool (selected at issue); 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, meaning LTC Rider benefits may receive 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, **95%** of your policy's face amount — or **\$950,000** — 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, if you've selected the 2% benefit you can accelerate a maximum monthly amount equal to the lesser of:

- 2% of the LTC Pool – \$19,000;

or

- 2 times the monthly IRS limit<sup>6</sup> – \$24,600

In this example, your permissible amount each month is **\$19,000**.

### Guardian's indemnity long term care benefit — simpler for you

Because we want you to focus on getting better (rather than filling out paperwork or continually submit bills and receipts), Guardian's Long Term Care rider provides an indemnity-type benefit. That means you're not required to continually submit bills and receipts each month in order to receive monthly benefit payments.<sup>8</sup> It can be the case with reimbursement-style LTC coverage from other companies, though.

The Guardian Life Insurance Company of America

[guardianlife.com](http://guardianlife.com)

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<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 IRS per diem for 2024 is \$410 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 the owner to submit documentation that the insured is receiving care.

Guardian's whole life products are issued on Policy Form ICC21-WL.

Guardian's Long Term Care Rider is issued on Rider Form ICC22-LTCR, 22-LTCR, or state equivalent.

Product provisions, features, and availability may vary by state. 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. Underwriting approval is required to purchase coverage and a medical exam may be required. For costs and complete details of the coverage, call your agent or the company. The LTC rider premium is not guaranteed and as such may increase.

**The purpose of this material is the solicitation of insurance. An agent/representative may contact you.**

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