

Paying for long-term care:

# Which asset would you choose?



You've worked hard to save for retirement and plan for your future. But what would happen if you or someone you love experienced an extended health care event?<sup>1</sup> Could you cover the impact of unexpected long-term care (LTC) expenses, and which asset would you use to pay for it?

## Repositioning assets to pay for care

If you're like most people, over your lifetime, you've accumulated a variety of assets. These assets have a unique purpose in developing your financial and long-term care strategy, and typically fit into one of five categories:

Asset category	General purpose	Considerations <sup>2</sup>	Examples
Qualified funds	Long-term growth for retirement income	<ul style="list-style-type: none"><li>• May be taxable on withdrawal</li><li>• Early withdrawal penalties may apply prior to age 59½</li></ul>	<ul style="list-style-type: none"><li>• 401(k) or 403(b)</li><li>• IRA or Roth IRA</li><li>• Employer profit-sharing plans</li></ul>
Nonqualified funds	Long-term growth for retirement income	<ul style="list-style-type: none"><li>• Taxation varies by product or investment</li><li>• May be taxed as it grows or include taxable capital gains</li></ul>	<ul style="list-style-type: none"><li>• Annuities</li><li>• Stocks, bonds or mutual funds</li><li>• Real Estate Investment Trusts (REITs)</li></ul>
Life insurance	Provides a death benefit to beneficiaries	<ul style="list-style-type: none"><li>• May accumulate cash value to provide supplemental income or cover expenses</li></ul>	<ul style="list-style-type: none"><li>• Whole life</li><li>• Universal life</li><li>• Variable universal life</li></ul>
Tangible assets	Physical assets a person owns	<ul style="list-style-type: none"><li>• May be taxable upon sale</li><li>• Liquidity based on market conditions</li></ul>	<ul style="list-style-type: none"><li>• Real estate, such as house or cabin</li><li>• Boat</li><li>• Jewelry or furniture</li><li>• Car</li></ul>
Cash equivalents	Fixed, low-interest accounts used for savings or a "rainy day"	<ul style="list-style-type: none"><li>• Taxed as the asset grows</li><li>• Generally accessible with minimal restrictions</li></ul>	<ul style="list-style-type: none"><li>• Savings account</li><li>• Money market</li><li>• Treasury bill</li><li>• Certificate of deposit (CD)</li></ul>

### Which asset would you choose?

If you needed money today to pay for unexpected long-term care expenses, which asset(s) would you use? And with the national median cost of a nursing home at \$9,326 per month and \$111,909 per year in 2025,<sup>3</sup> how long could that asset last?

Your "rainy day" account, or cash equivalents, may be the first place you look. Although these assets may cover some – or even all – of the long-term care expenses you may incur, how would using these assets impact your other finances?

### What if

you could protect your financial future and safeguard other assets at the same time?

1. If owner/insured are different, benefits will be paid to the owner upon the insured being certified as a chronically ill individual.

2. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

3. Average national median of the cost of care in 2025, LTC News, January 2025, <https://www.ltcnews.com/long-term-care/cost-of-care-calculator>.

# Your alternative: SecureCare III

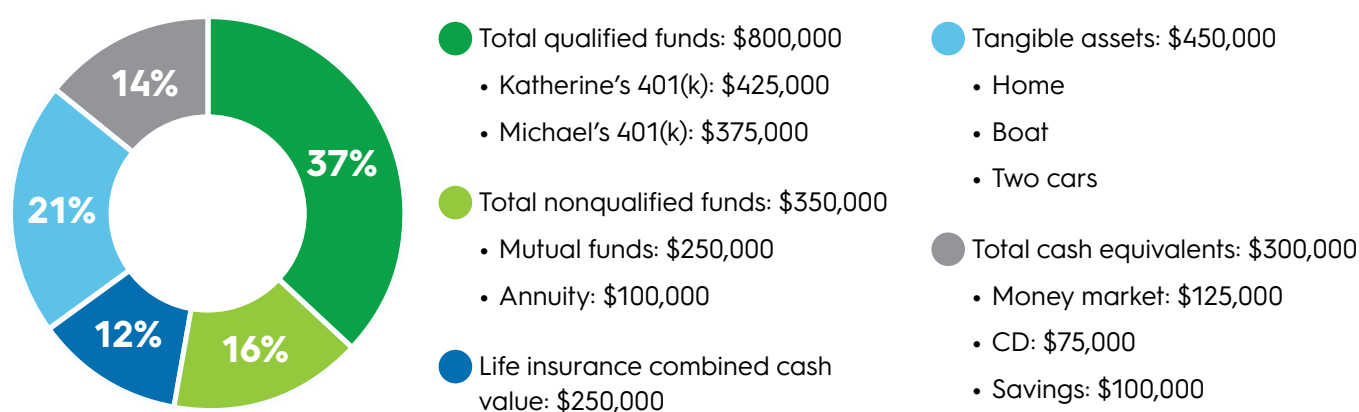
SecureCare III is a nonparticipating whole life insurance policy that combines the benefits of long-term care protection with the guarantees of life insurance. It's for people who generally have a source of retirement income to cover living expenses, such as a pension or other assets, but also have funds set aside "just in case" they need care.

## Hypothetical scenario:

Katherine and Michael are married. They are both 62 years old, recently retired and are receiving income from work pensions, 401(k) plans and Social Security.

- Michael and Katherine diligently saved during their working years and have accumulated enough assets to provide a comfortable income.
- Michael's employer provided a group long-term care insurance policy, which he kept when he retired. However, Katherine's mother had Alzheimer's disease, and they are concerned about what might happen if Katherine needs care.

## ASSETS KATHERINE AND MICHAEL COULD USE TO HELP PAY FOR LONG-TERM CARE



## Potential solution

Katherine and Michael reposition \$100,000 of their cash equivalents into a single-pay SecureCare III policy for Katherine — effectively leveraging their money so each dollar they've saved has the potential to provide several dollars for care.

- If she needs care, her SecureCare III policy will provide a monthly cash indemnity benefit she can use however she sees fit, helping to protect the rest of their portfolio from the impact of her care expenses. Katherine decides she wants her policy to provide LTC benefits for six years.
- She also includes the 3% compound interest Long-Term Care Inflation Protection Agreement, ensuring the policy's LTC benefits will increase each year.
- And because she wants to maintain the full value of her original asset within her portfolio no matter what happens, she selects vesting as her return of premium option. This ensures she would get a full premium refund if she canceled her policy (subject to the vesting schedule).

### Katherine's SecureCare III policy benefits



**If Katherine wants her money back, after five years, she will receive:**

**\$100,000  
premium refund<sup>4</sup>**



**When Katherine dies, her beneficiaries will receive:**

**\$100,533 death benefit  
if she dies before needing care<sup>5</sup>**

Even if her LTC benefit is exhausted, her beneficiaries will receive a guaranteed minimum death benefit.<sup>6</sup>



**If Katherine needs long-term care, at age 85 she may receive:**

**\$641,700  
total cash indemnity  
benefit for LTC  
  
\$8,267  
monthly maximum benefit**

### Flexibility to meet your unique needs

SecureCare III offers a range of return of premium options so you can design the policy that best meets your specific needs. Like Katherine, you can maximize the protection of your premium dollars by opting for a policy with guaranteed full return of premium.

Alternatively, you can choose to maximize your long-term care protection by selecting a policy with LTC Boost — although the surrender value may not equal the premiums you paid in, you would receive a boost in the benefits available for care.

This is a hypothetical example of a policy underwritten as Female, 62 years old, Non-tobacco Couples Discount, vesting option, 3% compound inflation option, for illustrative purposes only. Your particular circumstances may be different than those shown. You should ask your financial professional to run a personalized illustration for you. For more details regarding return of premium options, please consult with your financial professional.

4. Upon surrender, the policy owner will receive the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable). For more information regarding return of premium options, please consult with your financial professional.

5. Assuming the policy is fully vested in accordance with the vesting schedule.

6. Guaranteed minimum death benefit is the lesser of \$10,000 or 10% of the base face amount. Under certain circumstances, benefits may be taxable. Please consult with a tax advisor. The death proceeds may be reduced by LTC benefits paid, outstanding loans and unpaid monthly deductions.





# Put your assets to work for your future!

SecureCare III can help you preserve assets and income streams for your loved ones and protect your retirement with flexibility for the future. Talk to your financial professional about how SecureCare III can help you secure your care, your assets and your future today.

The purpose of this material is the solicitation of insurance. A financial professional may contact you.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain charges, such as Cost of Insurance Charge, Cash Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, and Surrender Charge (which we refer to as expense charges). These policies may contain restrictions, such as surrender periods.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

SecureCare III may not be available in all states. For costs and further details of coverage, including the terms and conditions under which the policy may be continued in force, contact your agent/representative.

SecureCare III includes the Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Agreement. These two agreements are tax qualified long-term care agreements that cover care such as nursing care, home and community-based care, and informal care as defined in the agreement. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide federally tax qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under these agreements may be taxable.

The optional Long-Term Care Inflation Protection Agreement is available with 3% simple interest, 3% compound interest, 5% simple interest or 5% compound interest.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

To be eligible for benefits, the insured must be a chronically ill individual and have been prescribed qualified long-term care services pursuant to a plan of care prescribed by a licensed health care practitioner.

The death proceeds, return of premium amount and LTC benefit amount depend, in part, on the return of premium option you select on your policy application. For more information regarding return of premium options, please consult with your financial professional.

This information is meant to help you understand the SecureCare III policy, not as a means to compare with other products. The amount of benefits provided will depend upon the benefits selected and the charges will vary as such. Some provisions may not apply or may vary depending on the state in which you live at the time of policy issue. Please refer to your state's Outline of Coverage for the exact language in your state.

**EXCLUSIONS AND LIMITATIONS** You are not eligible to receive benefits if the insured's long-term care service needs are caused directly or indirectly by, result in whole or in part, from or during, or there is contribution from:

- (1) alcoholism or drug addiction; or
- (2) war or any act of war, while the insured is serving in the military, naval or air forces of any country at war, whether declared or undeclared; or
- (3) active service in the armed forces or units auxiliary thereto; or
- (4) the insured's active participation in a riot, insurrection or terrorist activity; or

- (5) committing or attempting to commit a felony; or
- (6) any attempt at suicide, or intentionally self-inflicted injury, while sane or insane.

**PRE-EXISTING CONDITION LIMITATIONS** Pre-existing condition limitations refer to any condition or disease for which the insured received medical advice or treatment within six months preceding the effective date of the Acceleration for Long-Term Care Agreement for that same condition or disease or a related condition or disease. There does not need to be a specific diagnosis for the condition or disease for it to be considered a pre-existing condition. We will not pay benefits for a pre-existing condition or disease that is not disclosed in the application for a period of six months from the effective date of this agreement. A pre-existing condition during the first six months that the agreement is in force will not be counted toward the satisfaction of the long-term care elimination period.

SecureCare III may not cover all of the costs associated with long-term care or terminal illness that the insured incurs. This product is generally not subject to health insurance requirements. This product is not a state-approved Partnership for Long Term Care Program product and is not a Medicare Supplement policy. Receipt of a long-term care or terminal illness benefit payment under this product may adversely affect eligibility for Medicaid or other government benefits or entitlements.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment under this policy. Please consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

These are general marketing materials and, accordingly, should not be viewed as a recommendation that any particular product or feature is appropriate or suitable for any particular individual. These materials are based on hypothetical scenarios and are not designed for any particular individual or group of individuals (for example, any demographic group by age or occupation). It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are looking for investment advice or recommendations, you should contact your financial professional.

#### **INSURANCE PRODUCTS ARE ISSUED BY MINNESOTA LIFE**

**INSURANCE COMPANY** in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its subsidiaries. Minnesota Life Insurance Company and Securian Life Insurance Company are subsidiaries of Securian Financial Group, Inc.

#### **POLICY FORM NUMBERS**

ICC20-20212, 20-20212 and any state variations; ICC21-20220, 21-20220 and any state variations; ICC21-20221, 21-20221 and any state variations; ICC21-20222, 21-20222 and any state variations; ICC21-20223, 21-20223 and any state variations.

**Not a deposit – Not FDIC/NCUA insured – Not insured by any federal government agency – Not guaranteed by any bank or credit union**



**PREPARE  
PROTECT  
SECURE**

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