

TIP OF THE MONTH

Rejuvenate your Senior Market Sales using LTC and Annuities

Long-term care insurance and annuities are perfect partners to use in the seniors market. The Long Term Care Insurance protects your clients against the financial catastrophe they could face if they need extended care and the annuity can help them pay for it.

Many of your senior clients may feel their government health program will protect them. Your job is to inform them about the limitations of government healthcare and let them decide on the quality of care they want to have available to them. Once they realize they have a problem, finding the solution is the next step.

How are they going to pay for this insurance? We have found that a lot of seniors are living on a modest income while sitting on GICs at the bank or elsewhere. Why not use some of their non-registered GIC investments to fund their Long Term Care Insurance? In a lot of cases, you will find that moving money from a GIC into a “prescribed” annuity, will generate enough extra after-tax income to cover the costs of the long term care coverage.

For example, based on today’s rates, a female age 65 earning 5% in a non-registered GIC would increase her disposable income by \$287 per month by just moving that to a prescribed annuity (based on 40% marginal tax rate). This would be enough extra income to adequately fund long term care coverage of \$100 per day for her.

Run the numbers on your clients and you will be surprised.

Call S&V Planning for more details.