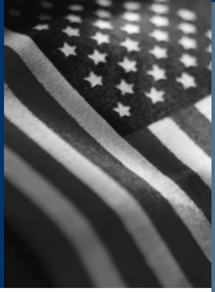

FUNDING LONG TERM CARE INSURANCE WITH A SINGLE PREMIUM IMMEDIATE ANNUITY

THE ISSUE

Remember Sam and Maggie Malone? They know that they need long term care insurance, it makes the most sense for their situation, and they purchased the policy this year. The issue is that they hate the idea of potentially paying the annual premium until they die, they are already dreading next year's annual premium notice.

THE SCENARIO

Sam and Maggie Malone:

★ Both 52 years old
★ Live in Maryland
★ Two children

They already purchase a long term care insurance policy with an annual premium of $4,417.74. Maggie's great aunt passed away and left them with $100,000. They currently have it in a CD earning 1.25%. They don't need the money for current income.

THE SOLUTION

The CD isn't even keeping up with inflation, so the Malone's put $72,131 from their inheritance into a Single Premium Immediate Annuity (SPIA), which using their joint mortality, pays a life-only income of $4,418 annually. This is enough to pay their LTCI premium.

THE RESULT

The Malone's put an underperforming asset that they didn't need into a vehicle that ensures their LTCI premium will be paid for the rest of their lives.