



ForeCare

Fixed Annuity with Long-Term Care Benefits

Issued by Forethought Life Insurance Company



Thinking Ahead

Long-Term Care

| Perceptions, realities and
steps you can take to prepare

This is a solicitation of long-term care insurance
by **Forethought Life Insurance Company** and
an agent/insurance producer may contact you.



Agenda

Long-term care perceptions

Long-term care realities

Paying for long-term care

A hypothetical example

A trending long-term care strategy

When you hear “long-term care” (LTC), what comes to your mind?

Nursing home?



Won't need it?




Medical care?







Long-term care facts



7 in 10 people age 65+ will need long-term care.¹



56% of long-term care takes place at home.²



Most LTC isn't for medical care, but help with things you do every day.³

¹2015 Medicare & You, National Medicare Handbook, Centers for Medicare & Medicaid Services, September 2014.

²<http://www.thinkadvisor.com/2017/02/27/most-long-term-care-insurance-claims-are-for-home>

³<https://longtermcare.acl.gov/the-basics/what-is-long-term-care.html>

LTC includes a wide range of services for people limited by:

A chronic
illness



Like a lung disease

An
injury



Like a broken hip

A physical or
mental disability



Like Alzheimer's



Most common uses of long-term care

People use LTC for help with Activities of Daily Living (ADLs) that they can't do for themselves



Bathing



Dressing



Using the toilet



Transferring
(to/from bed/chair)



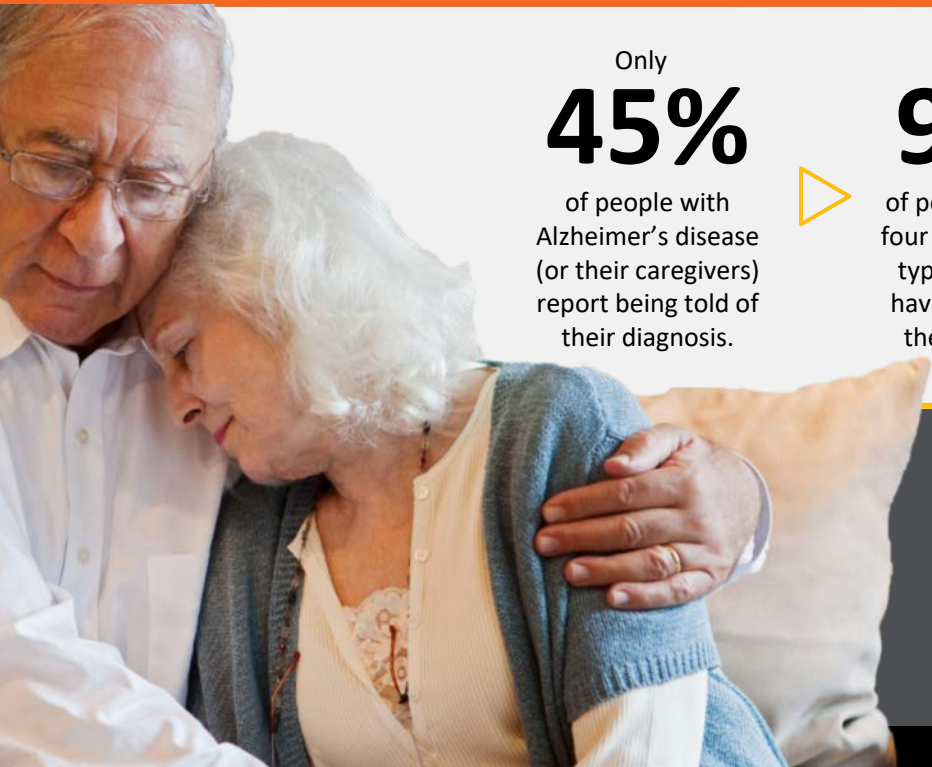
Eating



Continence



Cognitive realities: By the numbers



Only
45%
of people with
Alzheimer's disease
(or their caregivers)
report being told of
their diagnosis.



More than
90%
of people with the
four most common
types of cancers
have been told of
their diagnosis.

\$259
billion is what
Alzheimer's and
other dementias
cost the U.S. in
2017.



\$1.1
trillion is what
these costs could
reach by 2050.



Almost two thirds of Americans
with Alzheimer's are women

2.3
years
Average nursing
home stay¹

4.5
years
Average dementia
survival²

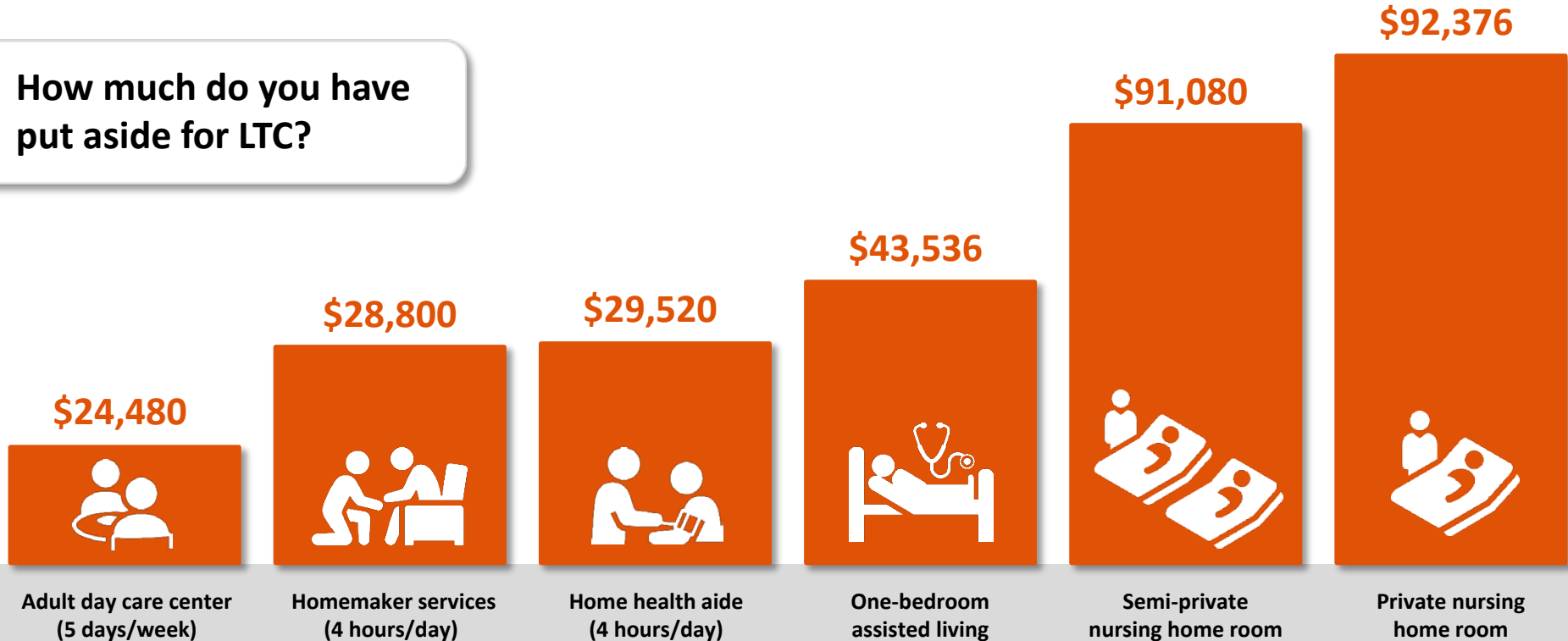
Every **66** seconds, another person in the
U.S. develops Alzheimer's.

Alzheimer's facts: 2017 Alzheimer's disease facts and figures. <https://www.alz.org/facts/overview.asp>.
¹<http://www.mylifesite.net/blog/post/so-ill-probably-need-long-term-care-but-for-how-long/>
²<https://www.webmd.com/alzheimers/news/20080110/average-dementia-survival#1>



Annual long-term care costs: Personal¹

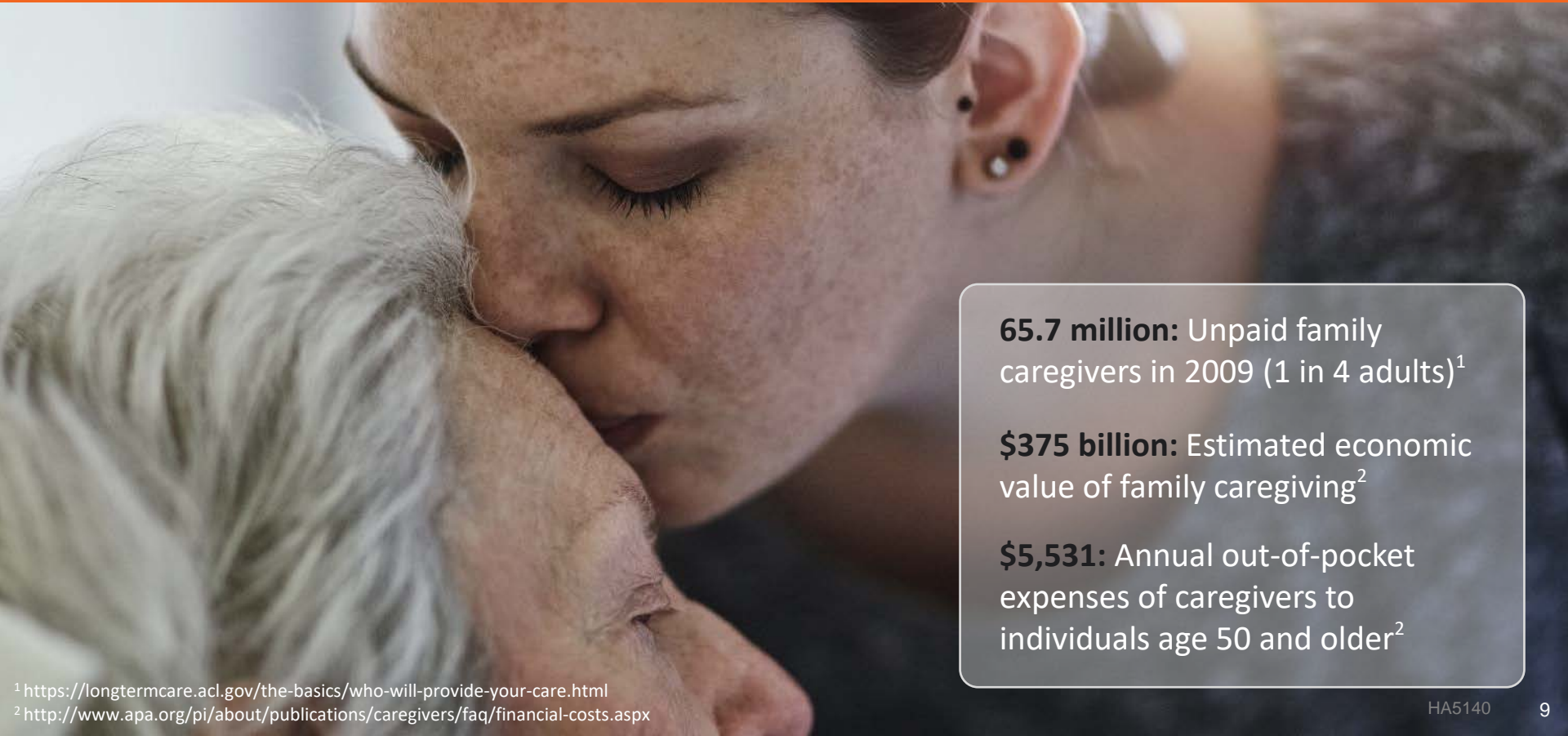
How much do you have
put aside for LTC?



¹ "Cost of Care," <https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>. Costs are based on 12, 30-day monthly periods. Based on average U.S. costs from 2020.



Long-term care costs: Family



65.7 million: Unpaid family caregivers in 2009 (1 in 4 adults)¹

\$375 billion: Estimated economic value of family caregiving²

\$5,531: Annual out-of-pocket expenses of caregivers to individuals age 50 and older²

¹ <https://longtermcare.acl.gov/the-basics/who-will-provide-your-care.html>

² <http://www.apa.org/pi/about/publications/caregivers/faq/financial-costs.aspx>



Paying for those costs: Options and challenges

Medicare



Medicaid



**Health
insurance**



Self-fund



**LTC
insurance**





Paying for those costs: Options and challenges

Medicare



Medicaid



Health insurance



Self-fund



LTC insurance



Must meet three criteria*

1	2	3
Hospital admission with inpatient stay at least 3 days	Admission to a Medicare-certified nursing facility within 30 days of that inpatient hospital stay	Need skilled care

If qualified, first 100 days covered¹

Days 1-20	Days 21-100
100% covered	\$164.50 daily deductible ²

¹<https://longtermcare.acl.gov/medicare-medicaid-more/medicare.html>

²As of November, 2017.



Paying for those costs: Options and challenges

Medicare



Medicaid



Health insurance



Self-fund



LTC insurance



Limitations¹

< \$2,000 in countable assets²

Spouse can keep 50% of communal assets (up to \$123,600)³

Limited choices for care

Fact

70% of people in nursing homes are on Medicaid⁴

¹<https://longtermcare.acl.gov/medicare-medicaid-more/medicaid/medicaid-eligibility/financial-requirements.html>

²May vary by state.

³As of 2018. <https://www.medicaid.gov/medicaid/eligibility/downloads/spousal-impoverishment/ssi-and-spousal-impoverishment-standards.pdf>

⁴<https://www.facethefactsusa.org/facts/high-cost-nursing-home-care>



Paying for those costs: Options and challenges

Medicare



Medicaid



Health insurance



Has limitations similar to Medicare – if LTC is covered, it's usually only for short-term, medically necessary skilled care.¹

Self-fund



Your nest egg could quickly be exhausted by LTC expenses and **derail your retirement strategy.**

LTC insurance



May require an examination and **unused insurance coverage may not pass on to your beneficiaries.**

¹<https://longtermcare.acl.gov/the-basics/who-pays-for-long-term-care.html>



Paying for those costs: Options and challenges

Medicare



Medicaid



Health insurance



Self-fund



LTC insurance

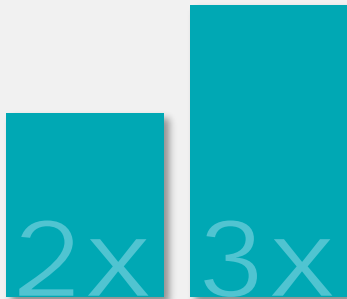


**These options may limit your control.
Let's look at another strategy...**



An alternative option: ForeCare, a fixed annuity with LTC benefits

More care



- ForeCare provides 2X or 3X of the contract value for qualified LTC expenses (based on your approval)¹
- One ForeCare contract can provide coverage for both spouses with the joint LTC option.
- Benefits received for qualified LTC expenses are typically federal income tax-free²

More convenience



- Underwriting process takes about 30 minutes
- 93% of applicants are approved³

More control



- You have more control to choose from the options your doctor prescribes
- Any remaining contract value passes to your beneficiaries as a death benefit

¹This is called the ForeCare Multiplier: it provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Benefits are subject to a maximum monthly benefit. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future. This example assumes the optional inflation and nonforfeiture riders are not purchased. Note: California policies apply the multiplier to the initial premium, and not the current contract value.

²Pay no taxes on investment income growth assuming all funds are used to pay for qualified long-term care services, no non-qualified withdrawals are taken and no death benefit is paid.

³Based on 2016 results.



Let's compare self-funding to ForeCare (a hypothetical example)



Meet Clara and Wade

- Married 45 years
- Both age 70

Their story:

- Wade has a stroke.
- After his hospitalization, he's unable to perform at least two ADLs such as eating and bathing.
- He needs a home health aide and homemaker services.
- After that, Wade needs additional care in a nursing home.

Option 1: Self-fund their LTC needs

Option 2: Purchase ForeCare



Option 1: Wade and Clara self-fund their LTC needs

Year 1



\$59,130: Home health aide and homemaker services (four hours a day each) for 12 months¹

Of their \$200,000 LTC budget, only \$140,870 remains after year one.

Years 2-3



\$140,870: Cost for a semi-private nursing home room for less than two years¹

Even if Wade hasn't recovered, they exhaust their money in year three.

The result:
\$0
dollars remaining for qualified LTC expenses

¹"Cost of Care," <https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>. Costs are based on 12, 30-day monthly periods. Based on average U.S. costs from 2016. Average annual cost for home health aide is \$29,930, assuming four hours a day. Average annual cost for homemaker services is \$29,200, also assuming four hours a day. Average annual cost for a semiprivate nursing home is \$82,125.



Option 2: Wade and Clara purchase ForeCare

Year 1



59,130: Home health aide and homemaker services (four hours a day each) for 12 months¹

Before the incident, they received Premier Approval and need help with two ADLs. Of their \$600,000 LTC coverage, \$540,870 remains after year one.²

Years 2-3



\$140,870: Cost for a semi-private nursing home room for less than two years¹

Wade and Clara still have \$400,000 of LTC coverage through ForeCare.²

The result:
\$400,000
dollars
remaining
for qualified
LTC expenses

¹“Cost of Care,” <https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>. Costs are based on 12, 30-day monthly periods. Based on average U.S. costs from 2016. Average annual cost for home health aide is \$29,930, assuming four hours a day. Average annual cost for homemaker services is \$29,200, also assuming four hours a day. Average annual cost for a semi-private nursing home is \$82,125.

²Assumes the following are not also purchased: the Optional Inflation Protection Benefit, or the Optional Nonforfeiture Benefit.



Which option did they choose?

After talking to their financial professional, Clara and Wade chose ForeCare for:

- More money for their qualified LTC expenses
- More convenience through a simple application process
- More control over where and how they receive their care

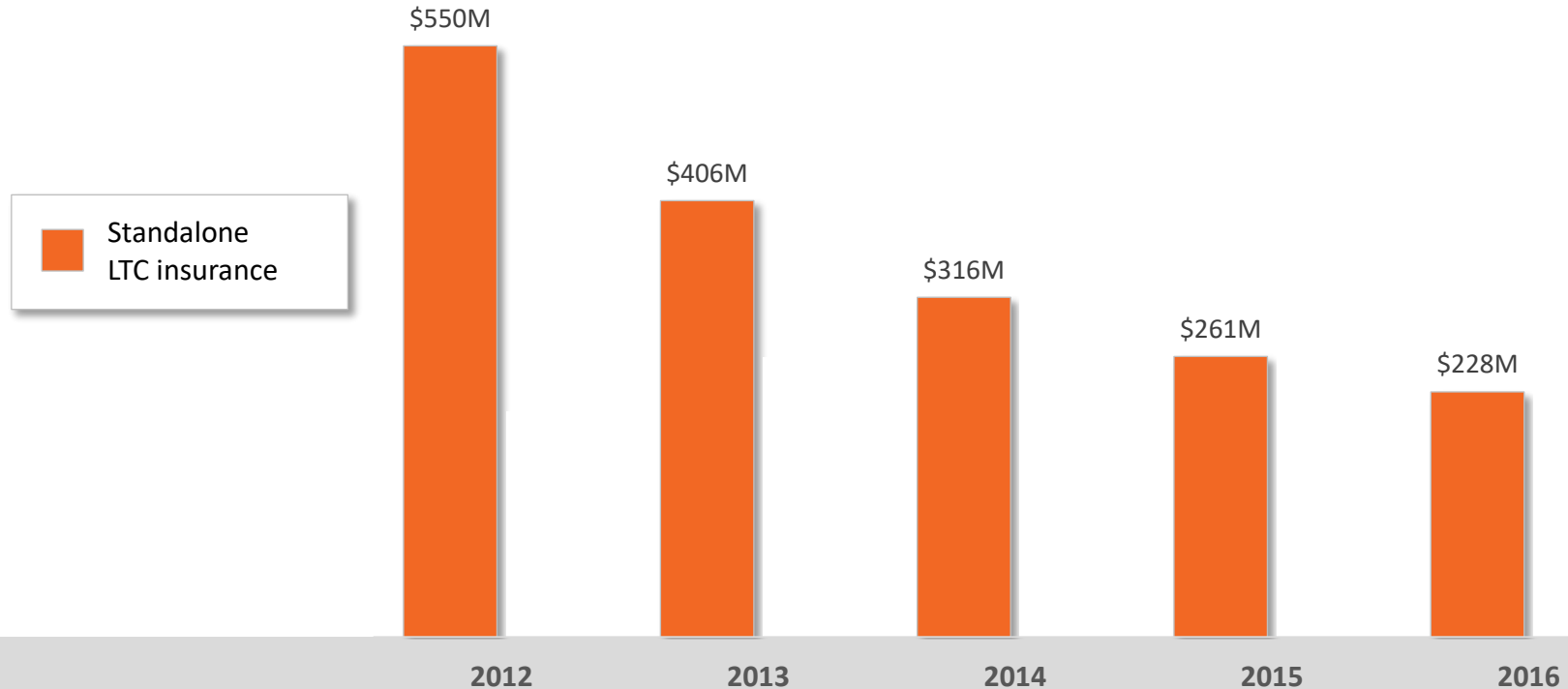
DOLLARS REMAINING FOR
QUALIFIED LTC EXPENSES

Self fund option: **\$0** ForeCare option: **\$400,000**



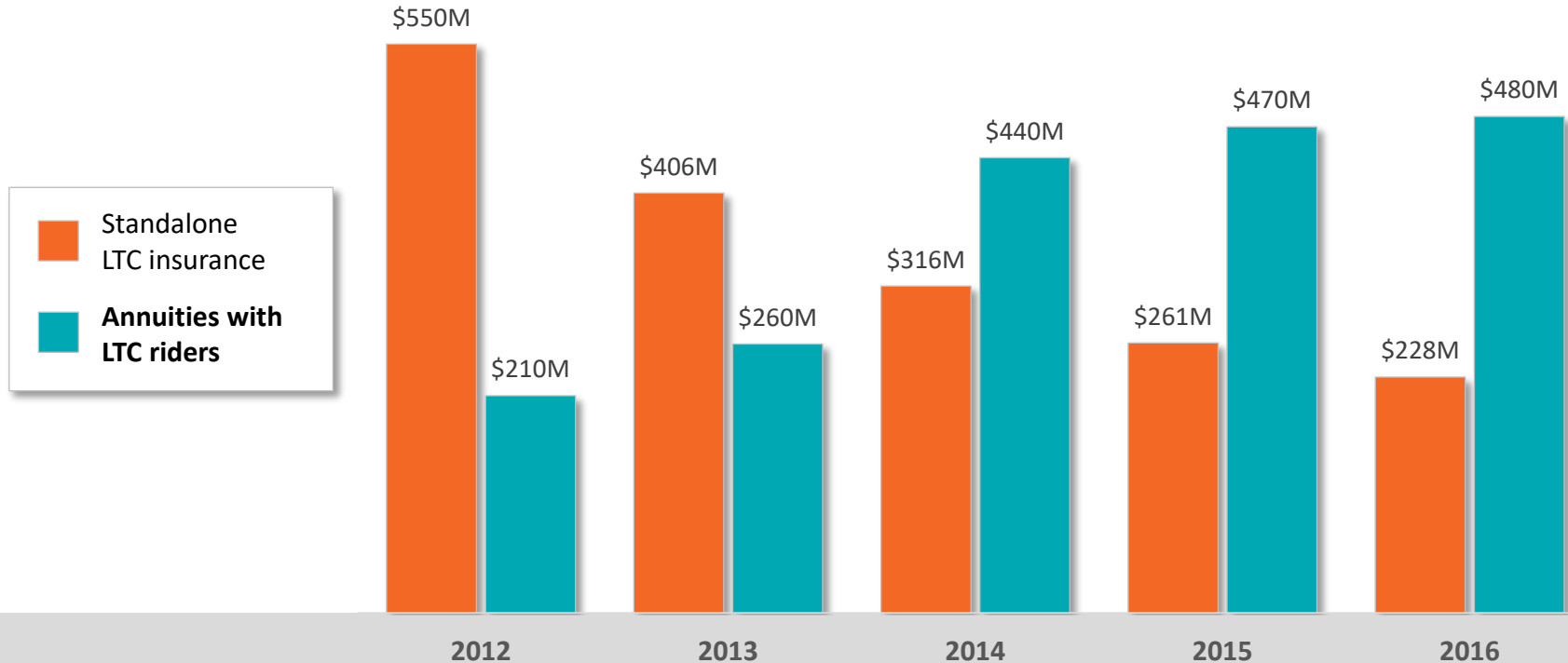


A trending long-term care strategy





A trending long-term care strategy





Let's see what resources you may have now for an LTC need

Options	Amounts
CD/savings	\$50,000
Fixed annuity	\$100,000
Variable annuity	\$200,000
Stocks	\$200,000
Bonds	\$300,000
Mutual funds	\$200,000
IRA/401(k)	\$200,000
Real estate	\$300,000
Life insurance	\$100,000

Let's see what resources you may have now for an LTC need

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Bonds	\$300,000
Mutual funds	\$200,000
IRA/401(k)	\$200,000
Real estate	\$300,000
Life insurance	\$100,000
Primary LTC assets	\$150,000

Use for ForeCare

Day 1
\$150,000

ForeCare
Contract value

Day 1
\$300,000¹

ForeCare
Standard Approval

Day 1
\$450,000¹

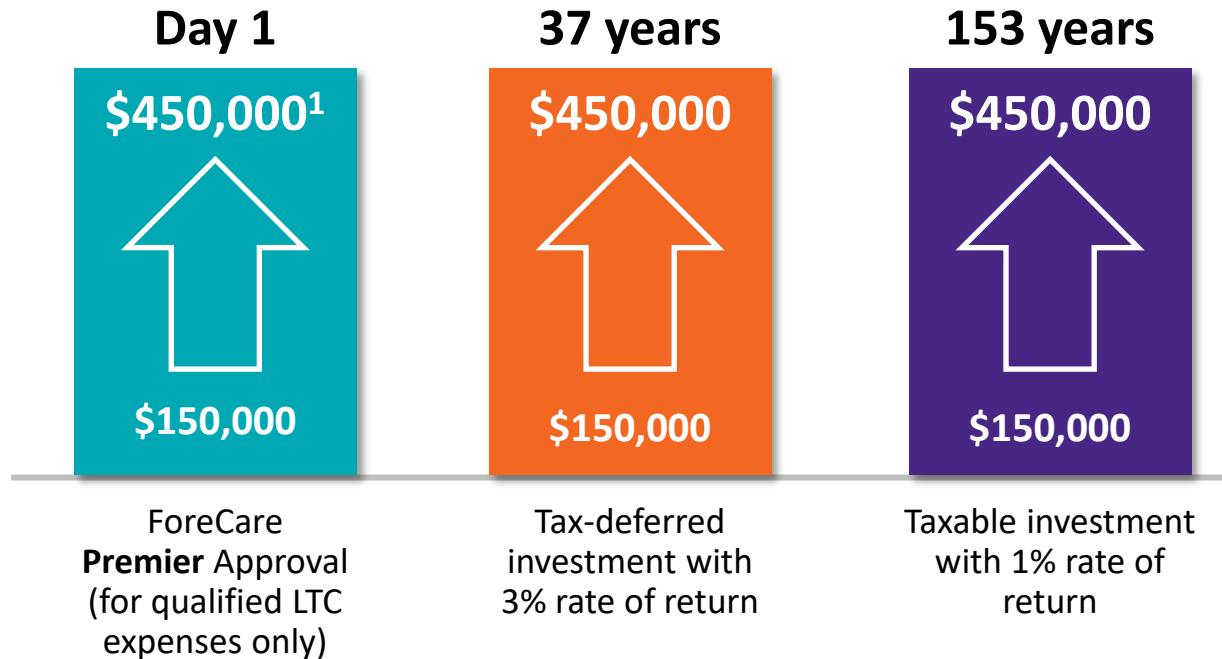
ForeCare
Premier Approval

Amount available for long-term coverage

All of the above referenced product types are vastly different and as such have different risk/reward characteristics, suitability profiles, liquidity properties and tax consequences. Repositioning of assets from any of these products into a ForeCare fixed annuity contract may not be suitable for all clients. Clients should carefully consider factors such as remaining surrender charge schedule, possible market value adjustments and any other charges before determining if repositioning and/or exchanging of an existing annuity contract is right for their particular situation. State insurance replacement regulations may also apply.

¹This is called the ForeCare Multiplier: it provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Benefits are subject to a maximum monthly benefit. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future. This example assumes the optional inflation and nonforfeiture riders are not purchased. Note: California policies apply the multiplier to the initial premium, and not the current contract value.

Covering LTC expenses



These results are hypothetical and intended to illustrate the differences between using tax-deferred and taxable investment products versus a ForeCare fixed annuity to fund long-term care expenses. The results are based upon input assumptions derived from the ForeCare online calculator. The ForeCare coverage amount is based upon the applicable ForeCare multiplier determined by underwriting standards. The tax-deferred investment results reflect the impact of the selected hypothetical rate of return and do not reflect the impact of taxes and/or any product fees and charges. Upon withdrawal, tax-deferred results are subject to ordinary income tax. Taxable investment results reflect the impact of the selected hypothetical rate of return and reflect the impact of taxes as determined by the selected tax rate. Taxable results do not reflect any product fees and charges. These hypothetical results are not a substitute for a personalized product illustration. Clients should consult with their financial professional for actual product illustrations, including a ForeCare illustration, which reflects their specific personalized information.

¹May only be used for qualified long-term care expenses.



Do I have a chance of getting approved?

		Yes	No
1	Are you currently hospitalized, confined to a bed, or reside in an Assisted Living Facility?		✓
2	In the last 12 months have you applied for any long term care policy or long term care rider that was declined or postponed?		✓
3	Are you currently using, or in the past 12 months have you used or been medically advised by a Healthcare Professional to use any of the following? Care in a Nursing Facility, Home Health Care Services, Adult Day Care Services, Walker, Wheelchair, Multi-Prong Cane, Motorized Scooter, Hospital Bed, Stair Lift, Oxygen, Dialysis Machine, Hospice Care		✓
4	Do you require assistance or supervision in performing any of the following activities? Taking Medication, Bathing, Dressing, Getting In or Out of a Chair or Bed, Eating, Toileting, Managing Your Bowel or Bladder, Walking		✓
5	In the last 7 years, have you had, been diagnosed or treated by a Health Care Professional, been prescribed or taken medication for any of the following?: Alzheimer's Disease or Dementia, Recurrent Memory Loss, Mild Cognitive Impairment (MCI), Organic Brain Syndrome, Mental Incapacity or Retardation, Multiple Sclerosis, Parkinson's Disease, Paralysis, Organ Transplant Other Than Cornea or Kidney, Spinal Stenosis or Chronic Back Pain With Use of Narcotic Medication, Autoimmune Disorder/Disease such as Systemic Lupus, Systemic Scleroderma, CREST Syndrome, Connective Tissue Disease, Mixed Connective Tissue Disease, Muscular Dystrophy, Lou Gehrig's Disease (ALS), Huntington's Disease, Hepatitis, Cirrhosis, Smoking in Conjunction with Emphysema, COPD, Stroke or Multiple Transient Ischemic Attack (TIA)		✓



Can I triple my contract value for qualified long-term care coverage?

		Yes	No
1	In the last 12 months, have you had, been diagnosed or treated by a Healthcare Professional, or been prescribed or taken medication for any of the following?: Aneurysm, Heart Bypass Surgery, Heart Valve Replacement, Vascular Surgery, Been Hospitalized Overnight 2 or More Times, Had any Fall Resulting in a Fracture, Had a Seizure or Convulsion, Had Multiple Falls, Tremors, Congestive Heart Failure, Cardiomyopathy		✓
2	In the last 5 years, have you had, been diagnosed or treated by a Healthcare Professional, or been prescribed or taken medication for any of the following?: Leukemia, Hodgkin’s Disease or Other Lymphoma, Any Cancer Other Than Non-Melanoma Skin Cancer, Alcohol or Drug Abuse or Dependency, Hospitalization for Depression, Bi-Polar Disorder or Any Other Psychiatric Disorder, Blood Clotting Deficiency (Factor V, VII, VIII, IX, X), Idiopathic Thrombocytopenic Purpura (ITP) or Essential Thrombocythemia, Von Willebrand Disease, Smoking With Peripheral Vascular Disease, Diabetes, or Renal Disease		✓
3	In the last 7 years, have you had, been diagnosed or treated by a Healthcare Professional, or been prescribed or taken medication for any of the following?: TIA With a History of Heart Disease, Diabetes Currently Treated with Insulin, Rheumatoid Arthritis with Joint Deformity, Rheumatoid Arthritis with Joint Replacement, Kidney or Cornea Transplant, Myasthenia Gravis, Diabetes With a History of TIA, Stroke, Neuropathy, Kidney Disease, Peripheral Vascular Disease or Congestive Heart Failure, Rheumatoid Arthritis Requiring Use of Narcotic Medication, Bipolar Disorder, Schizophrenia, or Other Psychosis, Chronic Kidney Failure		✓
4	Have you been medically advised by a Healthcare Professional to have any surgery, non-routine diagnostic test or medical evaluation that has not yet been completed?		✓
5	Additional Information (if any of the above questions are answered “yes”, please list all medications)*		✓

*If “yes” to any of these questions, you will be asked to provide a list of all medications.

Your next steps



If you answered “no” to the first five approval questions, meet with your retirement planner.



Go through the 30-minute application process to find out how much **more care** you can get with ForeCare.



Leave the appointment knowing you have **more care** with ForeCare.



Thank you!

globalatlantic.com

This strategy involves the purchase of a fixed annuity with a long-term care benefit provided for a charge. A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed annuity is not a registered security or stock market investment.

There are a multitude of different products that may be accessed for retirement and long-term care needs. For example, stocks, bonds, mutual funds and variable annuities are securities and have different risk/reward characteristics, liquidity properties and tax consequences, particularly when compared to products such as CDs, savings accounts, money market accounts and fixed annuities. Certificate of Deposits (CDs) are bank products that are FDIC insured. Money Market funds are securities and are not FDIC insured and although these funds seek to preserve the value of an investment at \$1.00 per share, there is no guarantee they will maintain this value.

Repositioning of assets from an existing product into a ForeCare fixed annuity contract may not be suitable for all clients. Clients should carefully consider factors such as remaining surrender charge schedule, possible market value adjustments and LTC charges deductions as well as any other charges before determining if repositioning and/or exchanging of an existing annuity contract is right for their particular situation. State insurance replacement regulations may also apply.

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

Exclusions and Limitations

The qualified long-term care insurance rider has exclusions and limitations.

In addition to the above, no payment will be made for any room and board, care, treatment, services, equipment or other items:

Arizona - For expenses incurred for services or items to the extent that the expenses are reimbursable under Title XVIII of the Social Security Act or would be reimbursable but for the application of the deductible or coinsurance amount; or

Nebraska - The monthly payment of Long-Term Care Benefits upon an Insured's receipt of Qualified Long-Term Care Services, is subject to the applicable Elimination Period and Waiting Period, if any, while he or she is a Chronically Ill Individual. A waiting period is the period of time that this Rider must be in force before any Long-Term Care Benefits become payable under this Rider. The elimination Period is the days of care, as specified for each type of Covered Service, that an Insured must be a Chronically Ill Individual and must be receiving any Qualified Long-Term Care Services other than Respite Care Services, before We will pay Long-Term Care Benefits.

Other Information - For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the contract may be continued in force, talk to your agent.

No payment will be made for any room and board, care, treatment, services, equipment or other items: (1) Provided by a member of an Insured's Immediate Family, unless: (a) He or she is a regular employee of the organization that is providing the services; and (b) Such organization receives payment for the services; and (c) He or she receives no compensation other than the normal compensation for employees in her or his job category; (2) For which no charge is normally made in the absence of insurance; (3) Provided outside of the United States of America, and its territories and possessions; (4) Provided by or in a Veterans Administration or federal government facility, unless required by law; (5) Due to an Insured's alcoholism or addiction to drugs or narcotics; but not addiction that results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician; or (6) Resulting, directly or indirectly, from: (a) War or act of war, whether declared or not; or (b) Attempted suicide or an intentionally self-inflicted injury.

The Rider for Long-Term Care Benefits is intended to be federally tax-qualified Long-Term Care Insurance. Tax treatment of long-term care coverage is complex and subject to change. As with all matters of a tax or legal nature, your clients should consult tax or legal counsel for advice. The qualified long-term care insurance rider has exclusions and limitations.

The Rider for Long-Term Care Benefits may be terminated by a written request from the Owner within the 30-day period following a Contract Anniversary. The Rider will also terminate: when the requirements specified for the insured are no longer met, when the Owner is changed (not applicable in MD), when the Contract is surrendered, upon the death of the last surviving insured, upon annuitization (if elected prior to the Maturity Date), on the Maturity Date, except 1) when annuitization is elected on the Maturity Date; and 2) when the Contract Value is \$0 but unused Long-Term Care Extended Benefit coverage is still available, or upon the date all Long-Term Care Benefits available under the rider have been paid.

ForeCare fixed annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Available in most states with contract FA1101SPDA-01 (certificate series GA1101SPDA-01, as applicable) with Rider for Long Term Care Benefits Form LTC2000-01, Optional Inflation Protection Benefit Rider Form LTC2001-01 and Optional Nonforfeiture Benefit Rider Form LTC2002-01 (certificate series LTCG2000-01, LTCG2001-01 and LTCG2002-01, as applicable). This is a solicitation of Long-Term Care insurance.

Important information (cont'd)

Products and features are subject to firm and state availability. Read the contract for complete details.

Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59½, may also be subject to a 10% federal income tax penalty.

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**Long Term Care
4 Veterans**
Our Team Serves You,
Because You Served U.S.

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**SCHEDULE YOUR OWN
LONG TERM CARE
MEETING**



GOVERNMENT CONTRACTING

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CAGE Number: 84R68

Sam.gov Record Search



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