



Long Term Care University

Long Term Care University – Question of the Month

By Aaron Skloff, AIF, CFA, MBA

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Q: We read the Long Term Care University article ‘Traditional Versus Hybrid Life and Long Term Care Insurance’ and prefer the Hybrid Long Term Care Insurance (LTC) policy. Can you please review the **Nationwide YourLife CareMatters** Hybrid Life and LTC policy for New York State residents?

Overview. Nationwide is part of Nationwide Mutual Insurance Company, an A.M. Best A+ rated, founded in 1926. The Nationwide YourLife CareMatters policy is a Hybrid Life and Long Term Care Insurance (also called Combination or asset based) policy. With Traditional LTC policies, premiums can be increased and you may not receive any benefits if you do not need LTC. With Hybrid LTC policies the benefits and premiums are guaranteed. The insurance company either: 1) pays you if you need LTC, 2) pays your heirs if you do not need LTC, 3) pays you and your heirs if you need a modest amount of LTC or 4) pays you a refund if you cancel the policy.

Nationwide YourLife CareMatters is Unique Because It is a Cash Indemnity Policy. There are two primary benefit payment methods among LTC policies. Reimbursement policies, the most common type of policies, require you to submit documentation of all expenses for reimbursement up to your monthly LTC benefits. Cash Indemnity policies pay up to your monthly LTC benefits, regardless of your expenses.

Nationwide YourLife CareMatters is Unique Because It Pays for Formal and Informal Care from Family and Friends. Most LTC policies prohibit informal care, particularly if the care is provided by a family member. The Nationwide YourLife CareMatters policy allows you to use formal care providers (home care agencies or facilities) and informal care providers, including family and friends. Since informal care providers can be much less costly, you can obtain significantly more care with a lower monthly benefit. This is very valuable for home care.

Nationwide YourLife CareMatters Policy Options. The policy options include: Benefit periods of 2-7 years; Inflation protection of none, 3% simple, and 5% compound; Eligibility (elimination) period of 90 days, with 0 day retroactive; Residual (guaranteed minimum death benefit) life insurance benefit (even if you deplete of your LTC benefits) equal to the lesser of 10% of the specified amount or \$25,000 and a Return of Premium with a vesting schedule of 80% during months 1-120 and 98% during months 121+. International Benefits are 50% of monthly maximum LTC benefit for only the base policy benefit period.

Nationwide YourLife CareMatters Inflation Protection Options. If the 3% simple or 5% compound inflation protection is chosen, **the monthly LTC benefit for only the extension of benefits will apply (excluding the 1st year and 2nd year) grow at the inflation protection selected.**

Nationwide YourLife CareMatters Compares with Other Hybrid LTC Policies. Let’s look at a husband and wife, Bill and Sue, who are each 55 years old and reside in New York. They each pay a \$100,000 one-time premium and are expected to need LTC in 25 years at the age of 80. They are comparing Hybrid policies that offer the largest monthly and total LTC benefits, with fixed inflation protection included in the premium. They prefer Cash Indemnity.

Nationwide YourLife CareMatters Outperforms Brighthouse SmartCare with Higher Total LTC Benefits. With **Nationwide YourLife CareMatters**, Bill will have \$4,569 monthly at age 80 and \$4,69 monthly at age 81, or a combined **\$109,656**. Bill’s total LTC benefits will be **\$949,851** over six years. With **Nationwide YourLife CareMatters**, Sue will have \$6,116 monthly at age 80 and \$6,116 monthly at age 81, or a combined **\$146,784**. Sue’s total LTC benefits will be **\$682,586** over six years.

With **Brighthouse SmartCare**, Bill will have \$12,608 monthly at age 80 and \$13,239 monthly at age 81, or a combined **\$310,164**. Bill’s total LTC benefits will be **\$652,117** over four years. With **Brighthouse SmartCare**, Sue will have \$10,767 monthly at age 80 and \$11,305 monthly at age 81, or a combined **\$264,864**. Sue’s total LTC benefits will be **\$556,865** over four years. See the chart below.

Insurance Company and Product Name	Policy Owner - Age	Benefit Payment Method	Elimination Period	Premium	Surrender Value Year 6	Age 120 Death Benefit	Age 55 Monthly LTC Benefit	Age 55 Monthly LTC Benefits	Inflation Protection	Age 80 Monthly 1st Year of LTC Benefit	Age 80 Monthly 2nd Year of LTC Benefit	Age 80 Total 1st + 2nd Year LTC Benefits	Age 80 Total LTC Benefits
Nationwide YourLife CareMatters II for New York	Bill - 55 Sue - 55	Cash Indemnity Cash Indemnity	90 Days with 0 Days Retroactive	\$ 100,000 \$ 100,000	\$ 80,000 \$ 80,000	\$ 109,649 \$ 146,793	\$ 4,569 \$ 6,116	\$ 370,167 \$ 471,194	5% Compound Excluded From 1st and 2nd Year 3% Simple Excluded from 1st and 2nd Year	\$ 4,569 \$ 6,116	\$ 4,569 \$ 6,116	\$ 109,656 \$ 146,784	\$ 949,851 \$ 682,586
Brighthouse SmartCare for New York	Bill - 55 Sue - 55	Cash Indemnity Cash Indemnity	90 Days with 0 Days Retroactive	\$ 100,000 \$ 100,000	\$ 62,723 \$ 55,841	\$ 91,182 \$ 77,863	\$ 3,723 \$ 3,179	\$ 192,572 \$ 164,444	5% Compound on All Years 5% Compound on All Years	\$ 12,608 \$ 10,767	\$ 13,239 \$ 11,305	\$ 310,164 \$ 264,864	\$ 652,117 \$ 556,865

Conclusions. Nationwide YourLife CareMatters provides total LTC benefits, with the flexibility of formal and informal care providers (including family and friends). Since premiums vary greatly based on age, health and marital status, request individualized quotes.

Aaron Skloff, Accredited Investment Fiduciary (AIF), Chartered Financial Analyst (CFA), Master of Business Administration (MBA), is the Chief Executive Officer of Skloff Financial Group, a Registered Investment Advisory firm. The firm specializes in financial planning and investment management services for high net worth individuals and benefits for small to middle sized companies. He can be contacted at www.skloff.com or 908-464-3060.