



Extended Care Conversation Guide

Encourage Clients to Think About Protection for the Future

Purpose: Use this conversation guide alongside the financial house to learn a prospect or client's perspective on long-term care. Long-term care is defined as assistance with the tasks of daily living, which may include bathing, grooming and mobility. As with many conversations about aging, long-term care can be a sensitive topic. This guide offers tips for having a thoughtful and productive conversation.

Opening	<p>In the foundation of the financial house, we strategize to help you and your family maintain your standard of living no matter what the future holds. One thing that can dramatically shift family dynamics is a health event that results in needing help with things like getting dressed, driving to appointments or making meals. This can strain family members, impact your independence or affect a legacy, if it isn't something you've planned for.</p> <p>The emotional, physical and financial costs of long-term care outside the home can add up quickly. I like to encourage people to think about this now, so they're not surprised later on. You can prepare to help protect yourself, your family and your finances.</p>
Prospect/Client Questions	<ul style="list-style-type: none">• What is your extended care strategy?• Where do you want to be cared for?• Who will take care of you?• What consequences might your loved ones face?• How will you mitigate the costs?
Provide Examples (Optional)	<p><u>Example 1:</u> Many of my clients appreciate having a strategy in place before long-term care is needed, so everyone is on the same page when something happens later in life. Strategizing now is like having a fire extinguisher nearby and ready—not running to the store to get one while your kitchen is on fire.</p> <p><u>Example 2:</u> When my clients or their families have to react to situations they didn't anticipate or plan for, it can cause a lot of stress. While neither Thrivent nor I can provide advanced care directive services, we can explore how having a long-term care protection strategy may help. Whether it's discussion items that I provide for you and your family, a strategy we develop together or exploring long-term care products—I want to make sure you have the resources you need.</p>



Positioning Tips

- When discussing long-term care, try leading with the basic need for a long-term care strategy. You may need to help the client overcome preconceived notions about what long-term care means.
- Focus on the uniqueness of a prospect or client's situation and concerns. Use statistics sparingly.
- Draw connections between long-term care and other areas of the financial house such as asset protection, retirement distribution, wealth transfer and estate strategies.
- It's common to work with the client over a series of meetings to uncover whether insurance should play a role in protection strategies. Remember that long-term care insurance is not the only solution for an extended care strategy.
- Don't transition to product offerings too early. First, discover whether there is a client need and learn whether they are ready to discuss potential solutions.

Transition to Creating an Extended Care Strategy

After opening a conversation about long-term care, you may proceed to helping the prospect/client create a protection strategy. Only proceed to this step with prospects or clients who have expressed an openness to discussing long-term care.

When discussing protection options, note that not everyone is healthy enough to qualify for long-term care insurance. If prospects or clients would like to obtain the protection at some point in the future, it's important to do it during a period when they are healthy enough to insure.

- Ask questions to learn how the prospect/client thinks about long-term care and its importance.
- Listen to learn.
- Pay attention to blind spots that your prospect/client may have. Consider sharing a blind spot that you've noticed to demonstrate you are actively listening, genuinely interested and can provide financial clarity in the moment.
- Remember that a long-term care protection conversation is similar to a life protection conversation in one important way. Both conversations ask the prospect/client to think about the potential consequences to their family and finances should the unexpected happen—whether that's needing assistance with daily living or a death.

Why a Long-Term Care Strategy Is Important

Transition	<p>Were you to need care at some point, there could be consequences for you, your family and your finances. Let's talk through the potential impacts to each of those areas for the next part of our conversation. We can then discuss strategies to address each area.</p>
Prospect/Client Questions	<p><u>You</u></p> <ul style="list-style-type: none"> • Do you think you're going to live a long life? What age do you think you might live until? If you live to that age, do you think you might need some help along the way? If so, what would that look like? • How would you or your family respond to a caregiving need? How would you fund it? • Do you see yourself as a natural caregiver? When you or your spouse is sick, how does the other respond? Will those dynamics be the same in 20 years, when you are both older, and potentially have a few health issues yourself? • Have you discussed alternative potential caregivers? Are they nearby (less than an hour away) or do they live farther? <p><u>Your family</u></p> <ul style="list-style-type: none"> • Professional care can be expensive. Would this impact your family's lifestyle? Would they have to give anything up? • Would your family be relieved to have a blueprint to help address the need for care? • Do you have any concerns about your parents' health care needs? • Do you have any concerns about having to fund and/or having to provide for your parents? <p><u>Your finances</u></p> <ul style="list-style-type: none"> • When it comes to funding assistance as we age, people across the U.S. often draw from some of the following places: savings, government assistance, family care or insurance. Which of these funding options are you planning to use should the need arise? <ul style="list-style-type: none"> ○ Savings <ul style="list-style-type: none"> ▪ Many things can factor into the cost of extended care and we can certainly explore each factor individually. Let's start with an introductory question: If you needed extra money to pay for care, \$5,000 each month for example, where would you begin? How long could you maintain that level of funding? ▪ What types of investment accounts or insurance do you have dedicated to funding assistance as you age? Any idea what approximate value they contain? ▪ Have you established an emergency fund? What else might require you to use this fund? ○ Government assistance <ul style="list-style-type: none"> ▪ <i>Note: Discussing government funding options can lead to advanced questions from clients. If you choose to discuss government assistance, simply seek to determine if the prospect/client views government assistance as a primary, viable funding source.</i>

	<ul style="list-style-type: none"> ○ Family care <ul style="list-style-type: none"> ▪ Would paying for assistance as you age compromise your current lifestyle, or your spouse's future lifestyle if you passed away first? Would either of you have to scale back your standard of living or could you maintain current standards? ▪ How would you feel about relying on loved ones to provide care and/or financial assistance? ○ Insurance <ul style="list-style-type: none"> ▪ What role do you think insurance plays in a long-term care strategy? ▪ Have you previously explored insurance or other resources to help? Did you work with a financial advisor through that process? ▪ Have you had any experiences with long-term care insurance personally, or with a family member or friend? • We've had a great, thoughtful conversation about a topic that can have a lasting impact. Is there anything else you'd like to discuss? • My team and I are passionate about creating personalized solutions for clients. Would you like to continue to work together to strategize on helping support your family and financial goals in the years ahead?
Provide Examples (Optional)	<p><u>You</u></p> <ul style="list-style-type: none"> • You may wish to minimize some of the impacts that long-term care might have on your family and caregivers. <p><u>Your family</u></p> <ul style="list-style-type: none"> • Preparing for long-term care isn't just for you; it's also for the people you care about. I'm interested in opening a dialogue about this important topic. My hope is that we could work to minimize the uncertainty and impact that can come with a long-term care event. This could include identifying the types of care or help that could be needed in the future, when a need may arise, the cost of care and what resources will be available to pay for care. • Long-term care insurance can help alleviate some of the strain that extended care puts on family. In some cases, it allows caregivers to manage rather than provide care. For example, you may consider bringing in a professional so that a loved one doesn't wear themselves down providing care. <p><u>Your finances</u></p> <ul style="list-style-type: none"> • Without a strategy to fund long-term care, other levels of your financial house may be affected. For example, long-term care costs may impact your retirement strategy. • Long-term care insurance is designed to help alleviate some of the financial strain involved in paying for professional care. It can supplement or, in some cases, serve as an alternative to relying on retirement assets alone. If you intend to pass money to your loved ones or to causes you care about, long-term care costs may also be a consideration.

Next Steps	<ul style="list-style-type: none"> • Identify how a long-term care strategy aligns with other areas of the prospect or client's financial house. Evaluate which options are available and what affordability may look like in the prospect/client's unique situation. • If the prospect/client is interested in pursuing long-term care insurance, you may want to give them a preview of next steps. Consider sharing language similar to the following: <ul style="list-style-type: none"> ○ You indicated that long-term care insurance is something you're interested in exploring. The next step is to check on insurability. That means we'll get some information from you to see if you prequalify before submitting an application. Not everyone is healthy enough to obtain coverage. If it looks like you're likely to qualify, we can design a solution based on your budget and needs, then submit the application. The application will ask questions about things like health issues and prescription medicines.
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Picture the Future

The U.S. Centers for Disease Control and Prevention project a decline in potential caregiver support in the years to come. Currently, there are seven potential caregivers per adult. By 2030, there will be only four potential family caregivers per adult.

U.S. Centers for Disease Control and Prevention, "Caregiving: A Public Health Priority," August 2022, <https://www.cdc.gov/aging/caregiving>.

Common Reactions to an Extended Care Conversation and How to Respond

Take a moment to consider how you might respond to client objections. Your aim should be to keep the discussion a positive experience for both you and the prospect/client. As a reminder, by policy, the use of scare tactics and/or high-pressure sales tactics is prohibited.

1. I'm not interested in talking about long-term care.

No problem. Would you mind telling me more to help me understand where you're coming from? My role as a financial advisor is to help you think ahead—even to topics that are harder to talk about. Creating a strategy for long-term care is something we do for ourselves and our loved ones.

[Share a personal anecdote of a time someone you know has benefited from having a long-term care conversation earlier than they felt ready. Then, listen. You may also consider asking the client if they'd prefer to revisit the topic at a future meeting. This ask is most successful when the client sees the value of this type of conversation, but has other topics on their mind for today's meeting.]

2. I won't ever need care.

I hear what you're saying. Let me ask you this: Do you plan to live a long life? What age does your retirement plan take you to? For example, age 80, 85, or 90. Is it reasonable to assume that, if you live a long life, either you or your spouse will require care for two or three years? My role as a financial advisor is to help you bring the future into focus. That typically involves planning ahead for moments where financial foresight today might positively impact your outcomes later.

3. The government will take care of me.

For military veterans: You may be able to get VA benefits to help pay for nursing home care. It depends on your income and the level of your service-connected disability (a disability that resulted from your military service).³ Visit [va.gov](https://www.va.gov) for more information.

For others: Medicare and Medicare supplement insurance benefits do not cover long-term care services. Medicare is a federal program for Americans ages 65 years and older. It pays for doctor visits, hospital stays and medications. Medicare supplement insurance, available privately, picks up the part of expenses that Medicare does not cover. But neither of these benefits will pay your nursing home or home health aide expenses if you are simply unable to perform daily living tasks.

In this context, some people may confuse Medicare with Medicaid, the government's health care program for people of all ages who are deemed medically needy. Medicaid supports the care of more than 7.8 million older Americans¹; however, to receive these benefits, you must satisfy stringent need-based criteria, including an income limit (the 2021 rule of thumb is \$2,382 monthly)² and a very low ceiling on the amount of assets you own—including your investments. Anyone who has a qualified retirement plan like an IRA or 401(k) and other assets is subject to these criteria to qualify for Medicaid benefits. (Requirements vary by state.)

¹ Medicaid.gov, "Seniors & Medicare and Medicaid Enrollees", 2021, <https://www.medicaid.gov/medicaid/eligibility/seniors-medicare-and-medicare-enrollees>

² American Council on Aging, <https://www.medicaidplanningassistance.org>, "Medicaid Eligibility: 2021 Income, Asset & Care Requirements for Nursing Homes & Long-Term Care."

³ U.S. Department of Veterans Affairs, "VA nursing homes, assisted living, and home health care," April 30, 2020, <https://www.va.gov/health-care/about-va-health-benefits/long-term-care/>

4. Long-term care insurance is too expensive.

Thrivent's long-term care insurance is priced using a combination of your health status and the coverage options you select. In some cases, coverage may not be as expensive as you think. We consider factors such as your age and health status now when determining whether you're eligible for coverage and how much it might cost. We can look at standard versus optional (add-on) coverage options.

For some people, long-term care insurance may actually cost less over time than other stand-alone long-term care strategies. It all depends on the strategy. It shouldn't take me very long to put together a side-by-side cost comparison. Would you like me to do that?

I can also share with you that developing a long-term care strategy doesn't mean covering every possible expense. There's a balance between the cost of a long-term care insurance contract, the anticipated costs of care and the benefits insurance provides. Think of it this way: If you had a strategy that covered even half of your potential long-term care needs, what would that mean to you?

A lot of clients like to co-insure the risk. Meaning the long-term care insurance provider may pay for a portion of the care needed and the rest may be funded by investments or savings. That's another strategy we can explore.

5. I would rather use my savings.

I appreciate that comment. One of the most important things is to create and maintain a long-term care strategy. Depending on your situation, insurance may be worth considering alongside other options like savings. We can certainly consider earmarking other assets as well to fund potential extended care expenses. Let's explore those options now.

6. I don't need long-term care insurance.

No problem. I want to confirm that you have a long-term care strategy in place that you're confident in. (That strategy doesn't necessarily need to include insurance.) Have you had an opportunity to talk through your strategy, and how you'll fund it, with a financial advisor?

7. What is my chance of needing long-term care?

Your chance of needing long-term care depends on multiple factors. Your health, family and type of home might all play a role. Other factors may also contribute as well. I typically encourage people to develop a long-term care strategy, so you can meet the future—no matter what it has in store for you.

REMINDER: Insurance, securities and investment advisory products and services can only be provided by appropriately appointed and licensed financial advisors and professionals. Only individuals who are financial advisors are credentialed to provide investment advisory services.

