What Consumers Should Know

ABOUT LONG TERM CARE...

WHO IS ASHBER?

AshBer is an independent insurance agency specializing in Medicaid Compliant Annuities and long-term care insurance solutions. AshBer partners with attorneys and financial advisors across the county to deliver industry-leading service and premier insurance solutions to their clients offered by **"A" rated insurance carriers**.

CONTACT OUR OFFICE TODAY!

call: 888-441-1595

email: info@ashber.com

site: www.ashber.com

WHAT WE OFFER

- Over 15 years of experience working with elder law attorneys
- Medicaid Case Analysis (back office support to determine the optimal annuity term and premium amount)
- Annuities as short as 2-months
- The best experience your office will ever have purchasing annuities

AMBER (GOUIN) HINDS
President

Amber has over 15 years' experience as a Medicaid and LTC Planner. She has an immense passion for educating attorneys, advisors, and their clients regarding financial strategies designed to help pay for long-term care costs applicable to both Preplanning (asset-based LTC/hybrid policies) and Crisis Medicaid scenarios.

Amber is a proud recipient of University of Wisconsin-Oshkosh's BA of Finance where she graduated with magna cum laude honors. She is a licensed insurance agent licensed in all 50 states and holds her Series 65 license with FINRA.

JESSICA GAGNON
Agent Support Rep.

Jessica is an Agent Support Representative. Jessica has held her insurance license for over 10 years. At AshBer, Jessica helps with many crucial processes of the company. She assists agents & advisors with the contracting/appointment process. She also processes all of our insurance applications. Jessica has over 10 years of experience processing insurance applications. She is a true people-person! She is delighted to help answer questions from agents and clients!

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Pre-Planning

It Took a Lifetime to Accumulate Your Wealth

NOW IT'S TIME TO PROTECT IT

YOUR ONE-STOP SHOP

for Your Clients' Long-Term Care Needs

Catering to elder law and estate planning attorneys nationwide, AshBer specializes in helping individuals and families with two unique financial areas:

- Long-Term Care / Asset Protection Planning
- Crisis Medicaid Planning

For 15 years, AshBer has provided attorneys and their clients across the country with specialized insurance products, enabling them to plan for retirement and protect their assets from one of the most costly risks to a client's portfolio nowadays, long-term care. When dealing with a long-term care need now or an anticipated need in the future, an Eldercare Financial Plan may help design a road map for paying for care at home, in assisted living, or a skilled nursing facility in the most tax-efficient, cost-effective way.

As an integral part of this planning, we assess government programs such as Medicaid and to potentially reduce the out-of-pocket expenses for health care. We also explore the use of life insurance and annuity products with Long-Term Care Riders to leverage existing assets to pay for care. An Eldercare Financial Plan addresses the specific cost concerns the clients have for your loved one's care, allowing the family to focus on more important areas — like providing emotional support to their family member when they need it the most.

Some of the solutions we can help with are as follows:

PROACTIVE PLANNING

- Asset-Based Long Term Care
- Indemnity and Reimbursement-Style Long Term Care Policies
- Annuities with Enhanced Income Riders
- Life Insurance with Chronic Illness Riders

CRISIS PLANNING

- Medicaid Compliant Annuities (as short as 3 months)
- Prepaid Funeral Policies
- Guaranteed-Issue Whole Life Policies

DISCOVER HOW TO PRESERVE YOUR ASSETS

by combining life insurance & long-term care insurance

Legacy Assets are those assets in a retiree's portfolio that are not needed to support their lifestyle but are available in case of some serious emergency (rainy day money!). These assets, if (hopefully) never needed, will probably pass to the retiree's children, church, or charity after they die. The one most significant risk to those assets is the need to pay for long-term care.

Many people in this situation resist the idea of conventional long-term care insurance, not wanting to admit that they might need it. Taking the position that they can pay for any care out of pocket, they are choosing to "self-insure". For these individuals, one effective planning approach may be to leverage some of their legacy assets to provide a larger pool of money. This money can be utilized to pay for care in the home, assisted-living facility, or nursing home. If not needed, the money would then pass to the intended heirs. Unlike traditional long-term care insurance, life-insurance based or annuity-based long-term care protection can benefit both the policy-holder and the heirs.

To employ this strategy, money is transferred from its current location (bank account, older fixed annuity past the penalty period, etc.) into a specially designed life insurance policy with riders that allow accelerated payment of a large portion of the death benefit to the policy-owner upon a qualified health event, to help pay

for costs of long-term care. Depending on the age, gender (in some states) and health status, the lump-sum premium paid into a life insurance policy may provide a death benefit of double or more that amount. However, if the insured qualifies to begin using the long-term care benefits, the insured may receive as much as five times the amount of the original premium. Any monies not used for convalescent care would still pass to the heirs upon death of the insured.

This approach may suit those individuals who choose not to purchase annual premium long-term care insurance policies and intend to pay for long-term convalescent care, if they ever need it, with their own assets.

MARY'S (65) PROPOSED STRATEGY (HYPOTHETICAL)

- Provides LTC by repositioning assets
- Mary can choose where to receive care with income tax-free LTC benefits
- Income tax-free death benefit for children if she does not need LTC*
- The premium is returned (within the time-frame and conditions allowed in the policy) if Mary changes her mind or finds a better strategy*
- LTC benefits are guaranteed, with no future premium increases*

NOTE: The death benefit on these policies typically declines dollar for dollar based on the amount of LTC benefit needed. If Mary needs a $20,000 LTC withdrawal, her death benefit would be reduced by $20,000 to $130,000.

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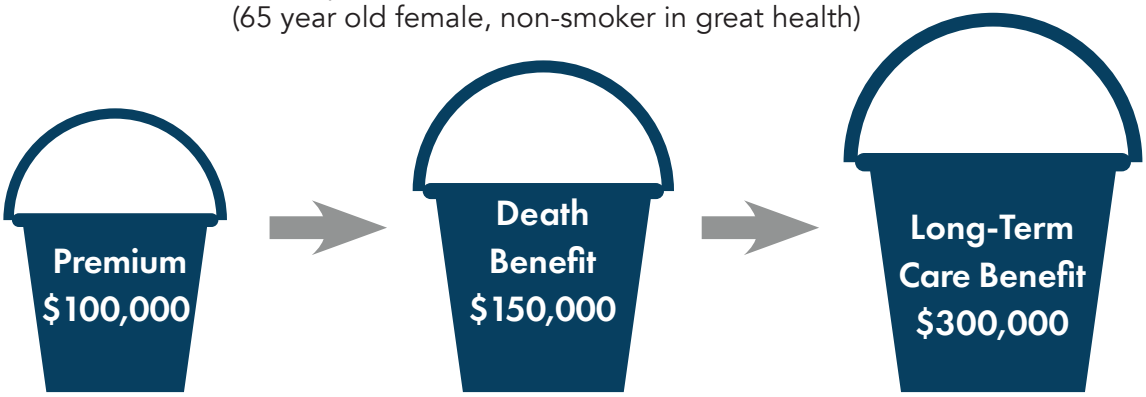
Asset preservation strategy combo Life & LTC
(65 year old female, non-smoker in great health)



Premium-Back Guarantee*

Income Tax-Free Death Benefit*

Choices on Where to Receive the Care*

*$150,000 at age 65 varies by carrier. Income tax free according to current tax code. Life insurance policy terms and limitations will vary among contracts. Life insurance and LTC benefit guarantees rely on the financial strength and claims-paying ability of the issuing insurer. Read your policy carefully before purchasing.

DISCOVER HOW A SINGLE PERSON
can use IRA money to help pay for long-term care

While many people use their IRA to supplement retirement many times waiting until age 701/2 (at which point the mandatory required minimum distribution rules apply), some people have chosen to take a portion of their IRA and fund an IRA-based, long-term care policy. As an example, we will use Tim, age 60, recently widowed and retired. While he feels very secure about his retirement income, his main concern is longterm care. By taking advantage of a tax-free, trustee-to-trustee transfer, Tim is able to reposition $157,000 of his $500,000 IRA account as premium for a 20-pay whole life insurance policy with an accelerated death benefit for qualifying long-term care expenses. Should Tim ever need long-term care, this type of policy can provide a monthly benefit of over $5,000 that can be used to pay for home health-care, assisted living, adult day care or even skilled nursing facility care. Additionally, if he has not begun to use the long-term care benefit prior to his death, his children will receive a tax-free death benefit of over $253,325.

TIM'S CURRENT SITUATION

No Long-Term Care Insurance

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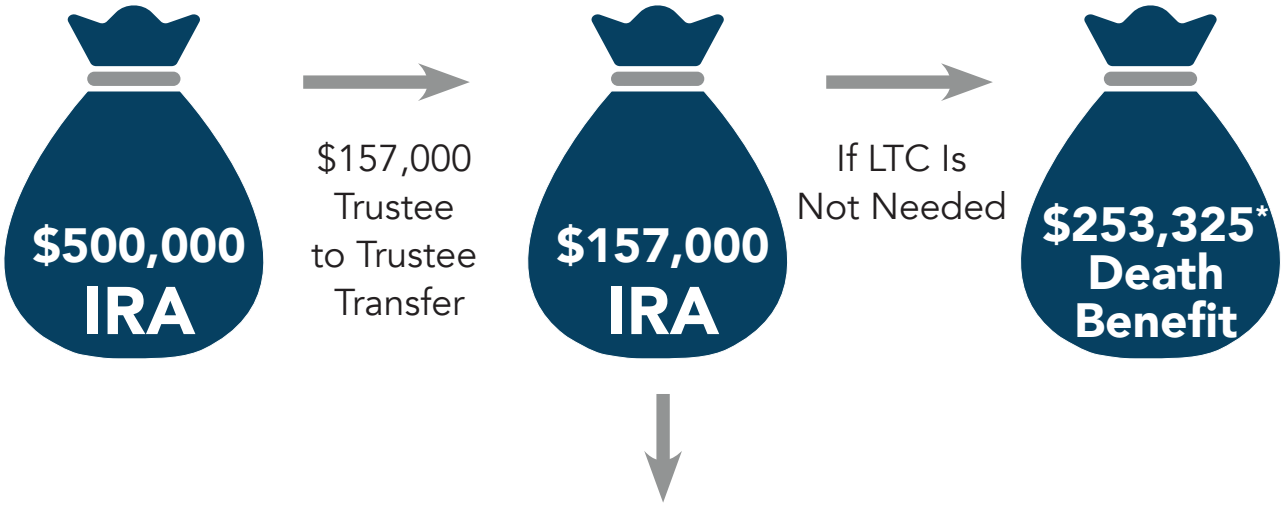

If Long-Term Care Is Needed
Lifetime Long-Term Care Monthly Benefit $5,000+

Can Pay For: Home Health, Assisted Living, Adult Day Care, Nursing Home

*$106,570 Life Insurance Tax -Free Death Benefit; Annuity provides a Death Benefit of $146,755. **IRA policy is funded at issue. Whole Life policy is funded through annual withdrawals from annuity. Life policy is paid up after 20 years. Premium amount is guaranteed at issue.

DISCOVER HOW MARRIED COUPLES
can use IRA money to help pay for long-term care

This example shows the impact of using an IRA-based long-term care plan for a married couple. Both Beth, 60, and her husband Bob, 65, are concerned about long-term care but up to this point have not wanted to commit to the annual premiums for traditional long-term care (LTC) insurance. While they do not need additional income from Beth's IRA, they would like to help their children avoid paying taxes on the IRA account when both Bob and Beth have passed away. In the case of a married couple, this is when the taxes on an IRA are due. (Assuming no inherited IRA options are exercised).

By taking advantage of a tax-free, trustee-to-trustee transfer, Beth can transfer $240,000 from her IRA into a 20-pay whole life insurance policy with an accelerated death benefit for qualifying long-term care expenses. As a result, Beth and Bob have secured $8,954 of monthly long-term carebenefits for qualifying health conditions for both of them, to be used to pay for home healthcare, assisted living, adult day care, or even skilled nursing care. If they do not begin using the long-term care benefits, their children will receive a tax-free death benefit in the amount of $447,683* in this example. In addition to these benefits, should they ever need to withdraw the $240,000, some of these types of policies also offer a full refund of premium**.

BETH AND BOB'S LTC STRATEGY

- They are concerned about long-term care costs
- They do not want to pay traditional LTC insurance premiums
- They do not want their heirs to pay taxes on the IRA*

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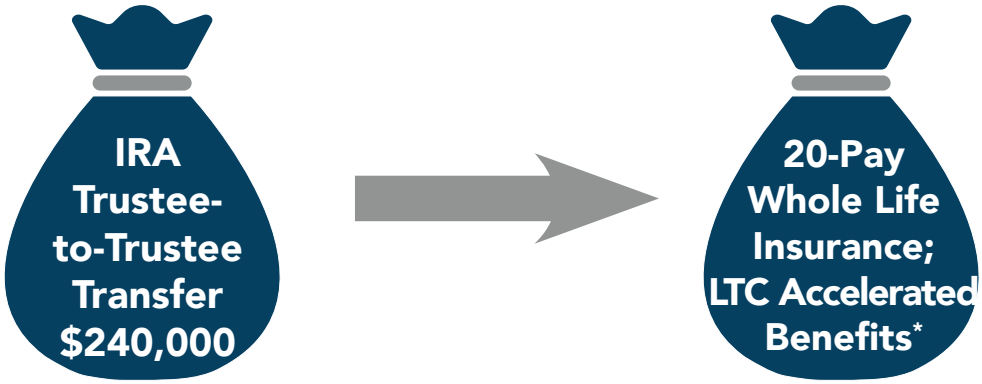

BY TRANSITIONING A PORTION OF HER IRA

- $8,900+ monthly benefit for qualifying health needs for both
- Covers home health, assisted living, and skilled care**
- Full refund of premium**
- Beth receives a 1099 annually on the amount transferred to the life policy, upon which taxes must be paid

*This strategy uses a 20-pay whole life insurance policy with a second-to-die death benefit, which includes an accelerated death benefit for use in the event of qualifying LTC care expenses. $447,683 death benefit age = joint equal age of 62 - end of policy year one. **Terms and limitations of policy contract language vary. Read your policy carefully before purchasing.

DISCOVER HOW ANNUITY BASED LONG-TERM CARE and the Pension Protection Act of 2006 work

On August 17, 2006, the President signed into law The Pension Protection Act of 2006 (the "Act")*. Individuals owning certain annuity contracts can now have long-term care benefits either contractually or by purchasing a rider for an additional premium. Effective January 1, 2010, the Pension Protection Act allows the cash value of annuity contracts to be used to pay premiums on long-term care (LTC) contracts. The payment of premiums in this manner will reduce the cost basis of the annuity contract. The Act allows the purchase of an annuity contract with such a rider to utilize a tax-free transfer under Section 1035 of the Internal Revenue Code of 1986, as amended ("IRC"). This provision may prove beneficial to individuals who own annuities with a low cost basis (low original premium paid) and those who are not in the best of health. Another option is to utilize the cash value of an annuity to purchase long-term care insurance. This provision is effective for exchanges which take place after 2009. Premium sources for this type of policy can be by way of a 1035 exchange or any after tax money, such as savings or money market accounts and/or CDs.

An example of how an annuity-based long-term care strategy could help someone is illustrated on the right. For this example, we will call our client Bob, age 70, and recently widowed. His children live out of town and they were concerned about what would happen if dad needed some additional care in the future. Since Bob had some health concerns and was recently diagnosed with diabetes, along with a history of heart disease, he was not a good candidate for traditional long-term care insurance. However, by taking advantage of an annuity based long-term

care strategy that takes advantage of the Pension Protection Act, Bob could likely be insured. By taking his $200,000 fixed annuity with a cost basis of only $100,000 (i.e. the premium he actually paid for the annuity) and using the IRS 1035 tax-free exchange from his existing fixed annuity to a new annuity that complied with the rules laid out in the Pension Protect Act, Bob's $200,000 fixed annuity could continue to earn interest. However, if he needed long-term care to pay for qualifying health needs like home care, assisted living, or skilled care he now had a long-term care pool of money equal to $1,097,797.

BOB'S CURRENT SITUATION (HYPOTHETICAL)

- Recently widowed
- Adult children live out of town
- Health concerns — diabetes with history of heart disease

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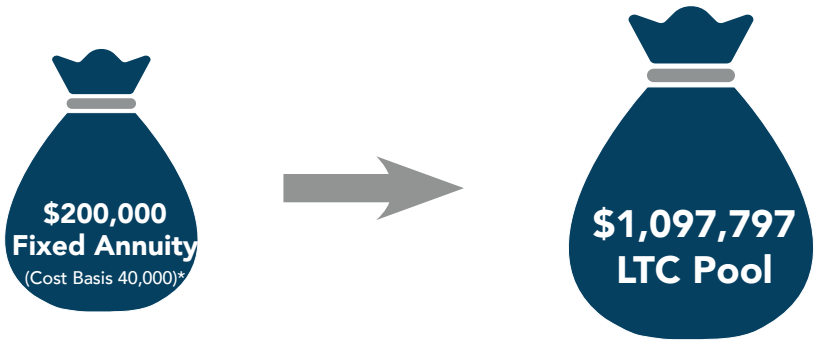

BY REPOSITIONING HIS FIXED ANNUITY...

- His benefits may be used for qualifying health needs like home care,assisted living, and skilled care
- He pays no annual premiums
- As his annuity grows, so does his LTC! (If he does not use his LTC benefit or annuitize the contract)

*$100,000 Initial Premium (cost basis) Annuity out of Surrender period.

*The Pension Protection Act permits tax free distribution or fixed insurance products to fund qualified long-term care plans. Please call (800)-800-6004 o request a copy. We are not endorsed by any government agency.

DISCOVER THE FIXED INDEXED ANNUITY (FIA) with an Enhanced Income Feature

For individuals who do not, for whatever reason, want to own any life insurance, there is an alternative. Since many retirees want to leverage up their assets if long-term care is needed, some insurance companies are now offering fixed indexed annuities with guaranteed* income riders that as much as double the annual income stream should the individual be permanently unable to perform 2 out of 6 Activities of Daily Living (ADL's). ADL's include eating, bathing, dressing, transferring, toileting, and continence. Additional eligibility requirements may be required, check carrier and state guidelines for variations.

Of all the contingencies faced in retirement, long-term care is probably the most difficult and perhaps the most costly…financially as well as emotionally. These long-term care strategies allow wise consumers to manage their money and to provide financially for such a possibility without committing to insurance premiums for coverage they hope they will never need. Since the money to do this must reside somewhere, these asset-based long-term care products and fixed annuities with enhanced income features may offer a financially attractive option.

EXAMPLE INCOME CALCULATOR

Years Deferred	Attained Age	Additional Premiums	Income Account Value	Income Percent	Lifetime Income Withdrawal	Confinement Benefit Doubler Withdrawal
0 yrs	70		$321,000	n/a	n/a	n/a
1 yr	71		$343,470	5.35%	$18,376	n/a
2 yrs	72		$367,513	5.45%	$20,029	n/a
3 yrs	73		$393,239	5.55%	$21,825	$43,650
4 yrs	74		$420,766	5.65%	$23,773	$47,547
5 yrs	75		$450,219	5.75%	$25,888	$51,775
6 yrs	76		$481,734	5.85%	$28,181	$56,363
7 yrs	77		$515,456	5.95%	$30,670	$61,339
8 yrs	78		$551,538	6.05%	$33,368	$66,736
9 yrs	79		$590,145	6.15%	$36,294	$72,588
10 yrs	80		$631,456	6.25%	$39,466	$78,932
11 yrs	81		$675,657	6.35%	$42,904	$85,808
12 yrs	82		$722,954	6.45%	$46,631	$93,261
13 yrs	83		$773,560	6.55%	$50,668	$101,336
14 yrs	84		$827,709	6.65%	$55,043	$110,085
15 yrs	85		$885,649	6.75%	$59,781	$119,563
16 yrs	86		$885,649	6.85%	$60,667	$121,334
17 yrs	87		$885,649	6.95%	$61,553	$123,105
18 yrs	88		$885,649	7.05%	$62,438	$124,877
19 yrs	89		$885,649	7.15%	$63,324	$126,648
20 yrs	90		$885,649	7.25%	$64,210	$128,419

Initial Premium: **$300,000**

Issue Age: **70**

Years to Defer: **10**

Withdrawal Attained Age: **80**

Joint Annuitant: **No**

Mode of Withdrawal: **Annual**

Please note the figures used are for illustration purposes only are not guaranteed, may differ according to contract terms and conditions, and will vary based on the information provided by an applicant.

*Annuity and rider guarantees rely on the financial strength and claims paying ability of the issuing insurer. This type of rider may be available with an annuity you are considering, for an additional annual premium. Refer to annuity contract and rider for full explanation.

This brochure is not intended as an invitation to purchase any particular insurance product or fixed annuity, nor is it intended as an endorsement of any particular product or company. It is merely intended to provide you with general information about various insurance products and to assist you in making an informed choice about financial services products currently available to you and what products may be best suited for you.

Please consult a licensed insurance agent regarding your age, financial objectives, short and long term financial goals, liquidity needs, risk tolerance, and overall financial situation to determine what insurance or fixed annuity is right for you. You should thoroughly review all brochures, specimen contracts, buyer's guides and disclosure forms before purchasing any insurance or any other financial services product.

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