



Consider LTC Arbitrage

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If you knew who would win the Super Bowl, how much would you bet?

There's one thing we know, everybody dies. One thing we don't know, is when we die. LTC arbitrage works by simultaneously leveraging an annuity and life insurance to maximize annual LTC benefits.

To better understand this concept, let's assume we have a female, age 65, in good health with **200k to help cover potential long term-care costs.**

Using an annuity, these funds generate a guaranteed annual \$12,600 lifetime income to purchase a whole life insurance policy with a \$203,718 Death Benefit and a \$73,338 annual LTC benefit with a lifetime benefit period.

If the client goes on claim, the annuity income doubles to \$25,200 and because of the built-in waiver of premium on the whole life insurance policy, this allows us to add the entire \$25,200 of annuity income to our \$73,338 annual LTC benefit, resulting in **\$98,558 of total annual LTC benefits, payable for life.**

Not only is she protected from living too long, but if she dies before ever using the LTC benefits, her **beneficiary will receive \$203,718 tax free** as well as the balance of the annuity.

Given the scenario, **the commission to the agent is \$20,921.**

Questions about Annuity Arbitrage? **Contact your PIMSCO marketer.**