

Panel Encourages Advisors To Educate Clients On Protecting Assets While Preparing For Long-Term Care Issues

A panel of long-term care experts participating in a Lincoln Financial Group-sponsored webcast, encouraged Americans to be more proactive in their long-term care efforts and to partner with knowledgeable financial professionals to ensure customized programs that can help protect assets and prepare for retirement issues. The webcast titled, "**Steps to Building Greater Financial Certainty**," was hosted by Lincoln Financial Distributors, the wholesale distribution subsidiary of Lincoln Financial Group (**NYSE: LNC**).

The panel of industry professionals included Steve Schoonveld, head of Linked Benefit Products for Lincoln Financial Group; Melissa Spickler, senior vice president, wealth management advisor of Merrill Lynch; and, Dr. Stephen Holland, chief medical officer of Univita Health. Moderating the webcast was Andrew Bucklee, head of MoneyGuard Solutions Distribution for Lincoln Financial Distributors.

"As the population ages, the prevalence of chronic disease, disability and dependence will increase," said Dr. Holland. "Approximately 70 percent of those over 65 will require some type of long-term care support during their lifetime, which can range from assistance with bathing and dressing to supervision for a cognitive impairment to medication management. These services can be provided formally by paid caregivers or informally by friends and family, and in a facility or at home."

"Without proper planning, family members, especially caregivers, are left with few options for managing long-term care expenses," Bucklee said. "As the needs of each individual are unique, it is critical each works with the right financial professional to customize an effective plan."

"Many Baby Boomers in the absence of a plan will turn to their children to help provide care," said Schoonveld. "When that time comes, those family caregivers often put their careers and retirement plans on hold while also facing the prospect of paying for all or some of their parents' long-term care. This is in addition to financially supporting their own children."

"Separately, for older married couples where one spouse is impaired, assets can be quickly depleted or divested to pay for professional care potentially impacting the surviving spouse and heirs. In either case, the retirement plans of the extended family are at severe risk," said Schoonveld.

Spickler observed that "Too many people, for a variety of reasons, end up not preparing for long-term care and are forced to make rushed and very expensive decisions almost overnight. The result can put huge amounts of assets at risk, bring about a rapid draining of financial resources and endanger the stability of a family."

"As Americans are living longer and healthcare costs continue to rise, the need for long-term care takes on greater importance. To prepare for an unanticipated long-term care need, it's critical to have a plan in place well before you need it," she said.

"Research has shown that people prefer to remain at home as they age," said Dr. Holland. "For this to happen, consumers should do what they can now to ensure they are able to cover the cost, should the need arise. Those that plan ahead and receive professional guidance are more likely to receive care in the setting and in the way they prefer."

"Knowing when, where and how you want to receive care goes hand-in-hand with understanding how you'll need to pay for the kind of care you want to receive," said Schoonveld. Based on extensive Lincoln research, Schoonveld underscored some best practices by those who were proactive in building a long-term care plan. "Successful consumers first clarify what they want and where they want to receive care. Next, they assess the resources available to them and evaluate support systems. Finally, the most successful of consumers partner with a professional. Meeting with a knowledgeable advisor enables consumers to talk through their goals, as well as assumptions, and be confident that their planning pays off."

Adding to those best practices Spickler said, "It may be helpful to have a Power of Attorney and Advance Healthcare Directive in place. As people start becoming forgetful, someone needs to be involved in helping with the decision-making process. Many people want a son or daughter on the account."

"In addition, having a qualified third-party as part of the process can be helpful in making the right decisions for loved ones whether financial or healthcare-related. Knowledgeable advisors will be able to recommend a good attorney to help with that specific process," Spickler added.

"A vast majority of those who need long-term care services receive it informally through family and friends," said Dr. Holland. "While studies show providing care for an aging loved one can negatively affect the health and well-being of a caregiver, technology has evolved to support these needs. Caregivers can call upon medication management tools, home safety devices, and online coordination and advisory services to assist with this effort."

Bucklee added, "It is critical that everyone involved in long-term planning have a deeper understanding of what drives consumers to take that next step and also what gets in their way, so they can better help them decide on the best funding options to meet their specific needs."

About Univita Health Univita provides home-based care management through specialized support and in-home interventions to people with complex needs. Univita's comprehensive approach to delivering, integrating and managing home care services, promotes patient independence, improves accountability and lowers health care costs. Univita works with current and emerging population risk managers such as health plans, integrated health systems and physician groups, serving commercially insured working age, Medicare and Medicaid populations. To learn more, visit www.univitahealth.com

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