



SecureCare III tax sales success kit

SecureCare III is a nonparticipating whole life insurance policy with long-term care (LTC) benefits. SecureCare III:

- Provides a cash LTC benefit clients can use however they want
- Helps shield loved ones and assets from the impact of LTC expenses
- Leaves a tax-free death benefit to beneficiaries
- Offers three return of premium options so clients can choose to maximize protecting their premium dollars or maximize leveraging them¹

Plus, clients may be able to take advantage of SecureCare III's unique premium structure, which offers potential tax deductions and savings. Inside this toolkit, you'll find a turn-key sales process — complete with prospecting tips and sales tools — to help you leverage this opportunity.



Discover how to use
tax-advantaged dollars
for LTC planning

Contact us

1. Upon surrender, the policy owner will receive the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable).



Step 1

Read the [SecureCare III tax guide](#) for an overview of SecureCare III's premium structure and the opportunities it creates.

Incorporate these two questions into your LTC sales process:

1. "Do you have a health savings account (HSA)?"
2. "Are you a business owner?"

If the answer is yes to either question, that's your cue to look at SecureCare III.

Step 2

Clients with HSAs

Show them how they can use their HSA to help pay for a SecureCare III policy.

Be on the lookout for older prospects (between 61 and 71 years old) who have a well-funded HSA as they stand to potentially gain the most from this strategy.

Sales tool for you

[Using HSA dollars to pay for LTC](#)

Sales tool for consumers

[LTC tax deduction worksheet: individual](#)

Step 3

Clients who are business owners

Explain how they can fund their own LTC needs with business dollars and provide key employees with LTC coverage.

If your client has a business partner, make sure to present this strategy to them, as well. The partner may be interested in this solution – giving you a new client who's just a follow-up phone call away.

Sales tools for you

[Sole proprietor, S corporation and partnership](#)

[Key employee coverage and C corporation owner/employee](#)

Sales tools for consumers

[LTC tax deduction worksheet: key employee and C corp](#)

[LTC tax deduction worksheet: S corp](#)

[Tax reference guide: LTC policies offered as an employee benefit](#)

Bonus tip

Clients can use the consumer tax reference guide and tax deduction worksheet to help their tax professional understand the strategy.

The collage includes several documents from Securian Financial:

- Taxation Guide:** Discusses the 1996 HIPAA requirements for qualified long-term care (LTC) policies under the Internal Revenue Code (IRC) section 7702B. It explains that qualified LTC premiums are considered a medical expense under IRC sections 7702B and 213. The premium associated with the face amount, or the base life insurance policy, and the premium waiver agreement, if elected, generally do not qualify as medical expenses. However, premiums associated with the Acceleration for Long-Term Care Agreement, the Extension of Long-Term Care Agreement, and the Long-Term Care Inflation Protection Agreement generally are considered payments towards a qualified LTC contract. The premiums associated with these benefits are calculated and noted both within a proposal and the data pages of a policy.
- Using pre-tax dollars to pay for long-term care:** Thanks to SecureCare III's unique policy design, clients may be able to use a health savings account (HSA) to help fund a portion of their premium. And for some, using pre-tax dollars to help pay for future long-term care (LTC) needs could be a powerful tool.
- Tax-advantaged dollars for long-term care:** Sole proprietor, S corporation and partnership. SecureCare III, a whole life insurance policy with cash indemnity benefits, has a unique policy structure that may create a valuable opportunity for owners/employees of pass-through entities, such as sole proprietors, S corporations and partnerships. You can help these prospects create a long-term care (LTC) strategy that allows them to provide key employees with LTC coverage and use business dollars to fund their own LTC needs in a more tax-efficient manner.
- Employee: Long-term care (LTC) tax deduction worksheet:** Employee and C corporation owner/employee. The Internal Revenue Service adopted rules that allow, under certain conditions, for insurance premiums to not be included as income for employees. The premiums associated with the tax-qualified long-term care (LTC) riders of SecureCare III fall under these guidelines. Please consult a tax professional to determine if you and your company may be able to exclude these premiums from your income. Please note: If you are planning to pay an additional lump-sum premium in the first plan year, the premium amounts applied to your policy's face amount and LTC agreements will be different in year one than in subsequent years. Please refer to the Detailed Premium Report on page 5 of your SecureCare III proposal for more information.

Linked-Benefit annual premium:

Not deductible (Life)	Deductible (LTC)
Face amount (base life insurance)	Face amount (base life insurance)
Premium waiver (not deductible)	Premium waiver for Long-Term Care Agreement
	Extension of Long-Term Care Agreement
	Long-Term Care Inflation Protection Agreement

How it works?

Howard, age 60
HSA account with \$40,000
\$100,000 SecureCare III policy
\$10,000 annual premium for 10 years

	Minimum death benefit*	Monthly LTC benefit	Total LTC benefits available
Day 1	\$93,640	\$3,963	\$362,960
Age 65	\$93,640	\$4,175	\$454,375

Sam, age 55
\$100,000 SecureCare III policy
\$10,000 annual premium for 10 years

	Minimum death benefit*	Monthly LTC benefit	Total LTC benefits available
Day 1	\$109,633	\$4,509	\$355,462
Age 65	\$109,633	\$11,090	\$860,805

Sam, age 55
\$100,000 SecureCare III policy
\$10,000 annual premium for 10 years

	Minimum death benefit*	Monthly LTC benefit	Total LTC benefits available
Day 1	\$109,633	\$4,509	\$355,462
Age 65	\$109,633	\$11,090	\$860,805

Employee: Long-term care (LTC) tax deduction worksheet:

Overview

Total annual premium amount	Tax implication
	Annual tax deduction for company

Employee: C corp owner/employee

Face amount (Base life insurance)	Premium amount	Tax implication
Premium Waiver for Long-Term Care Agreement		Included in income (Life)
Acceleration for Long-Term Care Agreement		Included in income (LTC)
Extension of Long-Term Care Agreement		Not included in income (LTC)
Long-Term Care Inflation Protection Agreement		Not included in income (LTC)





Tools to get
you started

Financial professional materials

[SecureCare III
tax presentation](#)



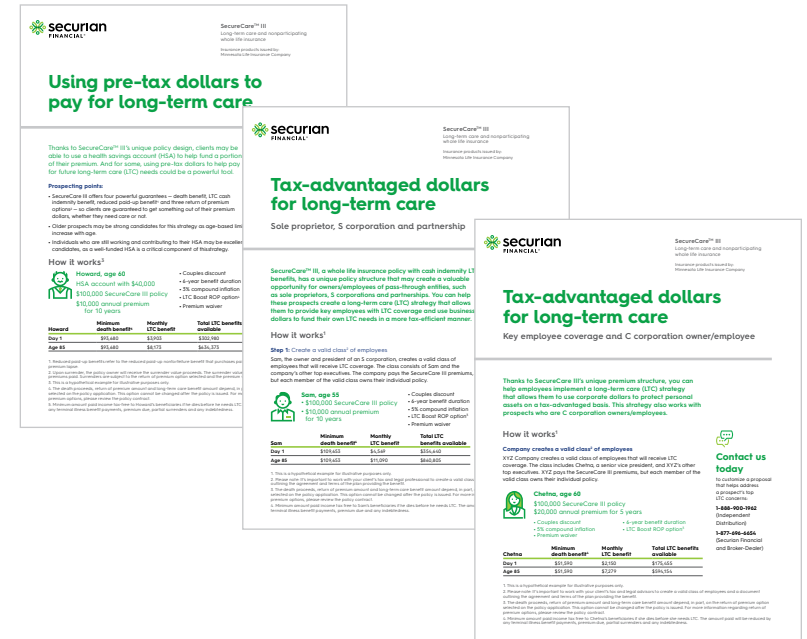
[SecureCare III
tax guide](#)

Tax-advantaged
dollars for LTC
sales ideas

[Individual with HSA](#)

[Sole proprietor,
S corporation and
partnership](#)

[Key employee
coverage and
C corporation
owner/employee](#)



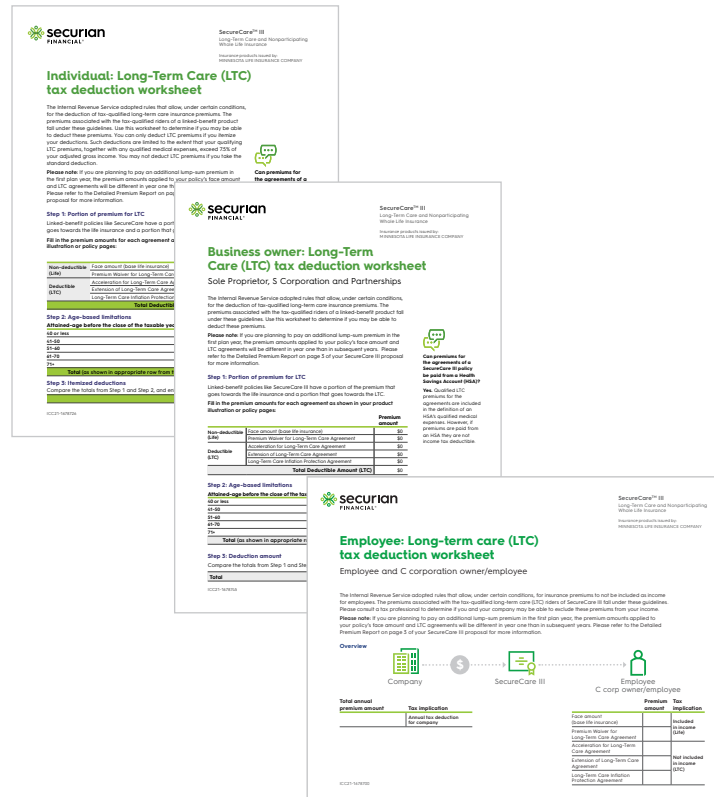
Consumer materials

Tax deduction
worksheets

[Individual](#)

[Sole proprietor,
S corporation
and partnership](#)

[Key employee
coverage and
C corporation
owner/employee](#)



[Tax reference
guide: LTC policies
offered as an
employee benefit](#)



Log in to:

[Run a proposal](#)

Don't have an account?
[Creating one is easy!](#)

Ready for more?

Go to
[securian.com/SecureCare III](#)

Check out the
[SecureCare III video
resource library](#)



Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

SecureCare III may not be available in all states. Product features, including limitations and exclusions, may vary by state.

SecureCare III includes the Acceleration for Long-Term Care Agreement. The Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Benefits Agreements are tax-qualified long-term care agreements that cover care such as nursing care, home and community based care, and informal care as defined in these agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide federally tax-qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under these agreements may be taxable.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment under this policy. Clients should consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

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