

Smart Strategies to Provide for Short-Term Care Needs

Michelle, 64, was in a position none of us would envy. She was caring for Ron, her husband, who was diagnosed with advanced stage cancer while also responsible for providing care to Esther, her 95-year-old mother who had suffered multiple strokes. She was referred to Team West by her attorney, who was concerned that she would need to make some serious financial and property decisions in short order, to support her family members.

Multigenerational Caregiving

Esther was a seasoned investor who had built a lot of the family fortune. When she had her first stroke several years ago, she bought a large home that Michelle and Ron moved into. Esther was able to pay for home care from the dividends from her portfolio.

Two years into this arrangement, Esther's health situation thankfully plateaued but Ron was diagnosed with cancer. Because the house was already set up for caregiving, Michelle decided to care for Ron at home, but she had two primary concerns: how to get rid of a second beach property that needed work, in order to generate extra liquidity to pay for Ron's healthcare needs; and how she would manage to take care of Ron while continuing to be a supportive daughter and caregiver to Esther.

Unlocking Cash in a Time of Need

After years of experience helping families plan for unexpected health care costs, Team West knew exactly what to do. Since Esther had a low-cost basis portfolio worth a few million dollars, Team West identified strategies to leverage the existing portfolio, while also limiting tax implications, and provide Michelle with enough liquidity to afford care for both her mother and husband while all remained in the home. Using a pledged asset line loan with the portfolio as collateral generated enough cash to upgrade the beach house so it was more marketable and accelerated the sale. Once the house sold, there was enough money to pay for the rest of Ron's care without having to sell out of the highly concentrated positions in Esther's portfolio.

Lessons Learned through Lifecare Affordability Plan™ (LCAP)

Because SEIA is a non-discretionary wealth manager, Team West was able to hold the low-cost basis position and be flexible with the timing of any tax loss harvesting strategies. This flexibility was important because of uncertainty around Ron's longevity.

Although Michelle was financially savvy, she readily admitted that she would not have been able to break down the complexity of all of her financial challenges without the LCAP process. Because

CLIENT PROFILE

Michelle, age 64, was facing life as a dual caregiver, supporting a husband with cancer while caring for an elderly mother.

MOST HOPEFUL FOR

Keeping her family together in their home through the end of life.

MOST FEARFUL OF

Running out of money while caring for two family members with acute illnesses.

LCAP IMPACT

LCAP provided Michelle with a clear plan for paying for home-based care without going into debt. It has positioned her for current financial stability.

One in a series of case studies that outlines the Lifecare Affordability Plan™ process and demonstrates how referring your clients to us can preserve and enhance your client relationships while making a positive impact on the lives of your clients.

The material presented herein is a hypothetical example designed for illustrative purposes only and not intended as individual investment advice or endorsement of any particular investment strategy.

she had a trusted partner who understood the appropriate cash flow, loan, and tax strategies, she was able to be present for Ron without sacrificing her commitment to taking care of her mother.

Ron died in his home surrounded by those he loved, and Michelle is now caring for her elderly mother. Thanks to the LCAP process, she is financially secure and has an appropriate level of liquidity to provide for her mother's increasing healthcare needs.

WHAT IS A LIFECARE AFFORDABILITY PLAN™?

A collaborative solution that provides families with a care need driven action plan supported by a comprehensive financial review.

AN OVERVIEW

Key Inputs

- What are you most hopeful for?
- What are you most fearful of?

SEIA Team West

- Senior Housing and Healthcare Professional
- Certified Financial Planner

Typically 3 meetings, with conversations between meetings

Meeting 1: Discovery

Meeting 2: Review of care scenarios and financial analysis

Meeting 3: Final recommendations

OUR PROCESS

Interview clients, key family members and relevant care professionals

Review the family's understanding of the current care needs along with the most hopeful outcomes and the most troubling risks

Develop potential care scenarios based on coordinating input from healthcare, legal, and financial stakeholders

THE PLAN

Provides a road map to assist families in making decisions about how to pay for the desired living situation and care support both now and in the future

Includes actionable strategies around cash flow, investment, legal, and estate planning

Outlines realistic clinical and therapeutic paths and their affordability

SEIA

SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®

The material presented herein is a hypothetical example designed for illustrative purposes only and not intended as individual investment advice or endorsement of any particular investment strategy. Information provided is not representative of any particular client's experience and does not detail actual events, investment decisions or outcomes. Signature Estate & Investment Advisors, LLC (SEIA) does not offer tax or legal advice. Consult with an independent tax advisor or attorney regarding your specific situation. To request a copy of SEIA's Form ADV Part 2, that includes a description of SEIA's services provided, fees charged and other important information, please visit www.seia.com or call us at 310-712-2323. Securities offered through Royal Alliance Associates, Inc. member FINRA/SIPC. Investment advisory services offered through SEIA, LLC, 2121 Avenue of the Stars, Suite 1600, Los Angeles, CA 90067. Royal Alliance Associates, Inc. is separately owned and other entities and/or marketing names, products, or services referenced here are independent of Royal Alliance Associates, Inc. Lifecare Affordability Planning is a DBA of Signature Estate & Investment Advisors, LLC, and its investment advisory services are offered independent of Royal Alliance Associates, Inc. and any subsidiaries or affiliates. Printed November 2018.