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# Health Risks Influence Retirement Security

## A Script to Support Client Conversations

This script supports thoughtful, collaborative client conversations about how health-related risks may affect retirement security and whether protected lifetime income, including annuities, are viable solutions.

This is intended to be a flexible framework. Adapt it to your voice, and focus on creating a thoughtful, pressure-free dialogue that supports better planning decisions.

## Open the Conversation

“Thanks for meeting with me. Today, I’d like to look at your retirement plan through a lens that many Gen X clients tell me concerns them the most — your health and how it might affect your finances. LIMRA, an independent financial services research organization I regularly reference, has found that Americans are often more worried about healthcare and long-term care costs than market downturns. I’d like to use some of their insights to stress-test your plan together.”

## Longevity and Health

“Longevity has quietly redefined retirement. For a growing number of clients, retirement is no longer a single phase of life, but a 20- to 30-year planning challenge. What research also shows is that not all of those years are likely to be healthy. Many people spend 10 or more years later in life managing chronic conditions or some form of disability. That is not meant to be scary — it is simply a reality we want to account for in your plan.”

## Engagement Question

“When you think about your later years, what worries you more — the markets or health-related issues?”

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## Health Event Risks

“Most people do not realize how common major health issues are. We are talking about chronic illnesses, cancer, heart disease, and cognitive decline. Not everyone experiences all of these, but the odds that you or a spouse will face something significant over a 20- to 30-year retirement are high.”

## Engagement Questions (Pick One or Two)

- “Have you experienced this in your own family — a parent or relative whose health event changed their finances or their living situation?”
- “Do you have personal health concerns or risks that you think we should discuss and plan for?”

## The Money Side: Costs and Caregiving

“Now let’s connect this to the financial side. Even with Medicare, healthcare is expensive. A typical retiree can easily face six figures in healthcare costs over retirement, and that does not include long-term care.

“About seven in ten people will need some form of long-term care — help with daily activities, either at home or in a facility. Those costs can easily run into tens of thousands of dollars per year, sometimes over \$100,000. Medicare generally does not cover that kind of extended caretaking.

“On top of that, many Gen Xers become caregivers for parents or spouses. That can mean cutting back work hours or stepping away from a job altogether, which can directly impact income and retirement savings.”

## Engagement Questions (Pick One or Two)

- “If a major health event occurred in your family, whose income would be most affected?”
- “If you needed to stop working earlier than planned how would that affect your retirement timeline?”

## Automating Financial Decisions

“A lot of people your age are managing careers, families, aging parents, and future planning all at once. When we think about retirement, we also need to consider the financial decisions you may have to make later in life. What I try to do is help people make decisions earlier, so retirement feels simpler and less stressful.”

### Engagement Question

“When you think about your future, what money decisions would you want to get off your plate now?”

## Transitioning to Protected Lifetime Income

“The good news is that we can design your retirement plan so that your essential income — things like housing, food, healthcare premiums, and basic bills — are protected no matter what happens.

“That is where protected lifetime income comes in. Social Security is one piece. Another piece may come from guaranteed income products, such as annuities, which can provide a reliable monthly income for as long as you live.

“Independent research from LIMRA shows that people who have predictable income in retirement tend to feel more confident and are less likely to make emotional decisions during health events or market volatility.”

### Engagement Question

“How would you feel walking into retirement knowing that your essential monthly costs — including healthcare premiums — are covered by predictable income for life?”

## Introducing Annuities Without Pressure

“One way to create protected income is through annuities. There are different types with different features, but the basic idea is simple: converting a portion of your savings into an income stream you cannot outlive. My job is to help you decide whether protected income aligns with the risks you are most concerned about — healthcare costs, long-term care, and caregiving. If it does, we can explore specific options and see how they would fit into your overall retirement plan.”

## If the Client Hesitates About Annuities

“That hesitation is very common. Many people have limited knowledge on annuities. I suggest we first decide, at a high level, whether it makes sense for you to shift some risk from your portfolio to a predictable income stream. If the answer is no, that’s okay. If the answer is yes or maybe, then we can compare different approaches — including annuities — side by side.”

## Using the Three-Bucket Framework in Conversation

“A simple way to think about this is in three buckets.

- **Bucket One: Essentials** — Expenses such as housing, food, utilities, and healthcare premiums. These are best covered with protected income whenever possible.
- **Bucket Two: Lifestyle** — Travel, hobbies, and discretionary spending. These expenses typically allow for more market exposure and flexibility.
- **Bucket Three: Health and Care Needs** — The ‘what ifs,’ such as a serious diagnosis, in-home care, or a spouse leaving work to provide care. This bucket may involve a combination of protected income, savings, and long-term care solutions.”

### Engagement Question

“Looking at your current plan, which bucket feels most vulnerable right now?”

## Closing the Meeting and Next Steps

“You have done a great job saving, and this has been a very productive conversation. The next step is to make sure your money is aligned with the real-life risks you face — especially health-related and caregiving risks.

Here is what I recommend we do next:

- Estimate your potential healthcare and long-term care costs in retirement.
- Evaluate how your current savings and investments would perform during a major health event.
- Decide whether adding protected lifetime income — potentially through an annuity — makes sense for you (and your spouse).

Does that feel like a good set of next steps?”

