

# LONG TERM CARE INSURANCE



## LET'S START WITH WHAT LONG TERM CARE IS.

It's the type of care people may need if they have a prolonged physical illness, disability, or severe cognitive impairment (such as Alzheimer's Disease) that keeps them from living independently. These limitations may prevent them from carrying out basic self-care tasks, known as activities of daily living (ADLs): bathing, dressing, eating, continence, toileting, transferring. A long term care insurance (LTCi) policy provides benefits if they are unable to perform two ADLs and/or have a cognitive impairment.

### Do I need LTCi?

Research shows that at least 70% of people over 65 will need some form of LTC services. And a good majority of them are women.

#### DID YOU KNOW:

One million women become widows every year  
59 is the average age a wife becomes a widow  
80% of women are single at death  
75% of LTCi claimants are women

### Here are some questions to ask when considering the need for LTCi.

- How do you see your ending years?
- Do you have assets excluding your home that are at risk?
- Has anyone in your family ever needed long term care, whether by a family member or professional caregiver?
- Would taking care of you be an emotional or physical hardship for your spouse, partner, children?
- If your spouse/partner needed long term care, would you be able to provide it now and when you are older without sacrificing your own health?
- Would the people caring for you be able to maintain the quality of their own lives, careers, relationships?
- Can you afford to use your savings or retirement income to pay for the rising costs of long term care? (Three years of care is expected to cost \$700,000 in 2050)

## THEN THERE ARE POLICY ELEMENTS TO CONSIDER.

**Elimination period.** Sometimes called the deductible or waiting period. Typically 30, 60, 90, 180, or 365 days. During the elimination period, other people or assets would be relied upon for care. The longer the elimination period, the lower the premium.

**Benefit amount.** The maximum amount paid by a policy on a daily or monthly basis. We can help determine how much benefit is needed by providing the current cost of care in an area. Lower benefits mean lower premiums.

**Age.** As with most types of insurance, younger and healthier people get lower rates.

### POLICY OPTIONS.

**Inflation option.** Costs for LTC have increased at a steady rate. This offers protection from rising LTC costs by minimizing the effects of inflation.

**Partner discount.** Available even if partner doesn't apply. Applicable to married and unmarried couples.

**Shared care.** Pools partners' benefits, allowing each partner to access the other's.

**Home health care.** About 80% of people initially receive care in their home. We recommend plans that allow 100% of the benefits to be used at home, as well as a facility.

### 5 TIPS FOR OBTAINING LTCI.

1. Find an appropriate level of coverage: Identifying goals and the cost of care in the applicant's area will dictate the need.
2. Limit riders: Some are worth the additional premium (inflation protection, shared care, waiver of home care elimination period), but most increase the premium without adding real value.
3. State Partnership Plans: Most states are approved for Partnership Plans that keep assets out of estates for Medicaid qualification purposes.
4. Is it ever too late to buy? Yes (most insurance companies have a maximum issue age, typically 75 to 79).
5. Buy policies from top-rated companies. LLIS works only with insurance companies with high ratings and customer service that meets our strict standards.



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