

LONG TERM CARE INSURANCE

Many of us these days share a concern about having to use long term care services in our lifetime or we are aware of someone in our lives who is already receiving long term care services in the home, in the community or a facility. For example, I have an aunt who is in assisted living with Alzheimer's disease. This was an early onset for her. Will that happen to me? I am not sure, but statistics do indicate that 50% of folks over age 65 years old will need some form of long term care. So the question is then asked, "Why aren't more of us buying long term care insurance?" Especially since studies indicate that home care used three times a week, two to three hours each day can cost \$1,000 per month ⁽¹⁾ or assisted living on average costs \$25,908 per year ⁽²⁾ and a nursing home facility average cost is \$65,700.

The most common answers to why people delay the purchase of long term care insurance is that the insurance is too confusing or too expensive. It doesn't have to be that way. To determine the correct coverage and contain costs, for your situation, it is essential to understand how current and future income and assets will be used for care.

Here are factors that determine how much coverage is needed:

- Age
- Health
- Income
- Assets to be protected

Upon gathering the above information it is time to design your long term care insurance policy that will cover care for you in your home, assisted living, adult day care or a nursing home. These factors determine policy coverage and premiums;

- Benefit amount(monthly or daily)
- Benefit period(number of years of coverage)
- Elimination period(waiting period before benefits start)
- Inflation options
- Other riders

Every person's situation is different. Some folks should not purchase it and others may not be eligible for the coverage. It is important to use an insurance agent that can walk with you step by step in choosing the correct coverage for you.

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1. "A Guide to Long Term Care Insurance", Health Insurance Association of America, 2002.
2. Met Life Mature Market Institute Study, 2002.