



LONG-TERM CARE & WHAT YOU NEED TO KNOW

Long-Term Care (LTC) generally refers to the care needed for those requiring assistance with basic daily activities or due to cognitive impairment for both shorter and longer periods of time.



This type of care does not cure you and typically results from chronic illnesses, cognitive impairments, automobile/sporting accidents, head injuries, disabilities and aging.



It is non-medical care, also referred to as custodial care, and can be received in many settings. While it is most commonly received at home, it can also be received in assisted-living facilities, nursing homes or adult day care centers.



Long-term care can be needed by anyone, at any time. The most common causes of the need to receive LTC are cognitive impairments, such as dementia or Alzheimer's, progressive neurological conditions, like Parkinson's or MS, strokes, cancer and accidents.

The US Department of Health and Human Services cites that [70% of those who reach 65 years will need some type of LTC in their lives](#). **Despite these overwhelming statistics that show LTC will touch the young and old, many don't plan for their likely need of future care. This is a risky assumption.**

41% of LTC is Provided to
Individuals UNDER 65*

FREQUENTLY ASKED QUESTIONS



How much does a Long-Term Care event cost?

LTC services vary depending on where you live and where you receive care, as well as the level of care required. Genworth's Cost of Care Survey for 2021 breaks down these costs in all 50 states and annually, they average as follows:

Home Health Care: \$62,000 – (Up 5.92% from 2018- based on 44 hours/week by 52 weeks)

Adult Day Health Care: \$23,660 – (Based on 5 days per week by 52 weeks)

Assisted Living Facility: \$60,000 – (Based on 12 months, private, one bedroom)

Nursing Home Care: Semi-Private: \$126,473 | **Private:** \$140,613 – (Based on 365 days of care)



I've heard that LTC Insurance is expensive. Is that True?

LTC Insurance is affordable and often press coverage of LTC is not accurate. Like other insurance, LTC insurance is more affordable the younger and healthier you are. It depends on your health as well and costs vary from carrier to carrier. Therefore, using an LTC Specialist is important as we are familiar with all the carriers and know the differences between each product.



When should I purchase LTC insurance?

Most people today purchase LTC insurance between the ages of 52 and 64. Purchasing LTC when younger reduces the costs of premium and in younger years people are typically healthier.



Does Medicare or health insurance pay for LTC?

No. Typically, Medicare will only cover 100 days of LTC under certain conditions. Health insurance pays for hospital and medical care. For example, if you needed surgery due to an accident, your health insurance would pay for the surgery, hospital stay and costs, and medications and meals while in the hospital. However, for an LTC event, the costs are either paid by self-insuring, Medicaid, or using LTC insurance. LTC insurance picks up where medical coverage leaves off.

FREQUENTLY ASKED QUESTIONS



Who should purchase Long-Term Care Insurance?

LTC insurance is not for everyone. Suitability is based on health history and financial means. LTC Specialists can best determine suitability and in general, you should consider LTC insurance if:

1. **You are in your late 40s to early 50s:** younger means more affordability and choices. This age is lower for group long-term care insurance.
2. **Your health is good:** LTC Insurance is carefully underwritten to screen appropriate risks and deliver a stable product.
3. **You have assets to protect:** You should have at least \$100,000 in assets including retirement accounts to protect.



Can I expect my premium to stay the same or should I budget for rate increases?

Today's policies are stronger and more stable than ever based on the improvements made by LTC insurance companies since the issues that caused most carriers to seek rate increases in 2016. However, like other types of insurance including homeowners, auto, and health insurance, you should budget for modest rate increases over the life of the policy.



What if I never use my insurance?

No one wants to use LTC insurance in the same way they do not want to use their homeowners, auto, or life insurance. However, there are different LTC policies and riders that allow you to receive a death benefit or return of premium if you never use your policy. Return of Premiums are available not only on hybrid products, which combine life insurance and LTC insurance, but for an LTC insurance policy, as well.

LTC insurance is a risk management tool. Not having a LTC plan is risky and the risks of not insuring this risk results in consequences for not only you, but for your family and loved ones, as well.



[Contact our Long-term Care Advisor](#) to discuss your options.