

# THE NEED

## WHY IS LONG-TERM CARE INSURANCE SO IMPORTANT?

As you may know, a new employee benefit will soon be available to you and your family at discounted rates. Long-term care insurance can help assure that your savings and hopes for a secure retirement won't be jeopardized by the high cost of prolonged home or facility care. It can also help relieve you and your family from caregiving responsibilities. And if you do want a spouse or family member to care for you, you can still collect cash benefits - with no strings attached...and no waiting period.

Like many people, you may think that the need for long-term care will never happen to you or a member of your family. But it's important to know the facts and recognize the odds and costs you may face.\*

- Long-term care is needed when you have a chronic illness or disability that causes you to need assistance with Activities of Daily Living (bathing, dressing, eating, toileting, transferring from bed to chair).
- 40% of people currently receiving long-term care are adults 18 to 64 years old.
- 70% of individuals over age 65 will require at least some type of long-term care services during their lifetime.
- Long-term care is expensive. One year of care in a nursing home, based on the 2008 national average, costs over \$68,000 for a semi-private room. One year of care at home, assuming you need periodic personal care help from a home health aide (the average is about three times a week) would cost almost \$18,000 a year.
- Should you need long-term care, you won't be able to count on your individual or group health insurance to all the bills. Medicare or Medicare Supplement policies are not designed to cover long-term care either!
- Fortunately, the government has recognized the problem and is giving tax breaks to those who purchase qualified long-term care insurance. More importantly, those who purchase a policy at a young age could save a good deal of money over time because premiums can triple between the ages of 50 and 70. And younger people can rely on their good health to assure that they will qualify for coverage.

### To Sum Up

The need for long-term care can strike anyone, at anytime, without warning. Your chances of needing care at some time is almost one in two. Your current insurance won't help pay the expense. Medicare was not designed to cover long-term care and Medicaid is almost out of the question. A family member may help give you care, but for how long, and at what cost? You can take steps now to insure for the future.

\* National Clearing House for Long-Term Care Information – September 2008



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# THE ODDS

THE CHANCE OF NEEDING LONG-TERM CARE MAY BE GREATER THAN YOU THINK.

Long-Term Care Insurance, a new employee benefit, will soon be available to you and your family at discounted rates. Like many people, you may think that the need for long-term care will never happen to you or a member of your family. But it's important to know the facts and recognize the odds you may face.

## According to the National Clearing House for Long-Term Care Information (September 2008)

- About 70 percent of individuals over age 65 will require at least some type of long-term care services during their lifetime.
- Over 40 percent will need care in a nursing home for some period of time.
- While most people who need long-term care are age 65 or older, a person can need long-term care services at any age.
- Forty (40) percent of people currently receiving long-term care are adults 18 to 64 years old. On average, someone age 65 today will need some long-term care services for three years.

## According to a study done by The National Academy of Elder Law Attorneys

Your risk of needing long-term care assistance is 1 out of 2 (50%). The study compared the risk of needing long-term care with the risk of other financially devastating risks, such as a major auto accident, or a fire in a person's home.

According to that study, the odds are:

- Automobile accident 1 out of 240 [0.4%]
- Fire damaging your home 1 out of 1,200 [0.08%]
- Needing long term care assistance 1 out of 2 [50%]

Given the one out of two odds of needing long-term care, many people find the risk worth insuring against. Don't let long-term care insurance be the missing link in your financial plan.

Long-term care insurance can help assure that your savings and hopes for a secure retirement won't be jeopardized by the high cost of prolonged home or facility care. And it can help relieve you and your family of caregiving responsibilities.

The next article will discuss Reasons to Purchase Long Term Care Insurance - including why it's important to relieve family members of caregiving responsibilities.



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# THE DECISION

## KEY REASONS TO PURCHASE LONG TERM CARE INSURANCE

There are many reasons why it makes good sense to apply for coverage at this time. As an employee, you can take advantage of discounted rates and simplified underwriting during the upcoming Open Enrollment Period. Your family is eligible for discounted rates too!!

**Long-Term Care Insurance helps protect your savings, assets, and future security.**

By planning ahead, you can preserve your nest egg, your retirement plans - and, perhaps, the inheritance you hope to pass on to your loved ones.

**Long Term Care Insurance gives you freedom and choice.**

Your policy's benefits will help pay for the type of care you want and deserve. You'll have the freedom to choose the care setting too - the privacy of your home, the independent lifestyle of an assisted living facility - and, as a last resort, a nursing home.

**Long-Term Care Insurance helps relieve family members of caregiving responsibilities.**

Most people want to be remembered as a caregiver...not the one who needed care. But if you do wish your spouse, friends or family to care for you, you can collect cash benefits - to use as you wish - with no strings attached and no waiting period

**Here are some key facts which may influence your decision:**

**Long-Term Care Insurance can help relieve the intense pressures caregivers experience.**

Caregivers report that they have had to adjust their schedules, arriving late for work or taking long lunch breaks, to meet their demanding personal schedules.

**Medicare or Medicare Supplement policies are not designed to pay all the bills.**

A minimal amount of Home Care may be covered - and Assisted Living Facilities are NOT covered at all!

If you need care, you might have to go into a nursing home long before you want to - because that's all Medicare might pay for. The Medicare-approved facility might not be the one you would ordinarily choose - perhaps it's inconveniently located - overcrowded or understaffed - and not necessarily of high-caliber. Long-Term Care Insurance gives you freedom and choice!

The best time to apply is while you're in good health.  
And since rates will always be based on your age at the time you apply, the younger you are - the lower your rates will always be.



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