

LONG-TERM CARE INSURANCE

Americans are living longer and healthier lives. As you plan for the future, make sure you consider your long-term care needs.

The Basics of Long-term Care Insurance

What is long-term care and who needs it?

Long-term care refers to a wide array of medical care, personal assistance and social support services for people who are physically or mentally unable to independently care for themselves for an extended period of time. Whether you need long-term care insurance depends on your age, health status, overall retirement goals, income and assets.

A long-term care insurance policy covers any or all of the following types of services:

- Nursing home coverage
- Assisted living facility coverage
- Adult day care center coverage
- Home health care coverage
- Personal care coverage

Most policies pay a daily maximum benefit and a lifetime maximum benefit. Actual benefits are chosen at the time the policy is purchased.

According to the Health Insurance Association of America, the average age at which people purchase long-term care insurance is 62. However, purchasing a policy at a younger age typically means policies' premiums are much more affordable. While you may pay for a longer period of time, taking out a policy around age 50 allows you to enjoy the peace of mind in knowing that you are covered.

How does long-term care insurance differ from disability insurance?

Unlike a medical policy that will cover a limited number of days of recuperative time, a long-term policy will cover two years or more. Beyond that, disability insurance replaces only salary at the time of the injury, and not the care. The policyholder will then have to pay out-of-pocket for any ongoing long-term care due to his/her accident or injury. In addition, Medicare should not be considered a resource for handling any substantial long-term care expenses. This program reimburses the insured for a maximum of 100 days, with the average repayment of expenses being a mere 28 days.

What is the cost of long-term care?

In 2015, the average private-pay cost of care per year in a nursing home was \$91,250 for a private room and \$80,300 for a shared room. Assisted living rates also averaged \$43,200 per year. Rates vary, depending on region, size of the accommodations, services available, quality of care and amenities.

We're Here to Help!

Call us today at (703) 739-9300 to learn more about your coverage options, potential tax advantages and how a policy can help you to protect your financial future.

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