

DON'T FORGET ABOUT LONG-TERM CARE

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Insurance, Money Articles

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By nature, women are multi-taskers. We juggle work, caring for children or aging parents, managing households and so much more that we forget to plan for our futures. Although everyone knows to plan for retirement, many don't stop to think of the risks of not protecting those retirement assets.

Women can protect their retirement assets by planning as they age. Women, on average, live longer than men and need to plan for this. Part of the planning is to know how you are going to be cared for, as you grow older. One option is Long Term Care (LTC) coverage.

LTC is care provided by another party for the benefit of those who are unable to care for themselves. It's the need for help with certain "Activities of Daily Living," or the need for supervision due to severe cognitive impairment such as Alzheimer's or dementia. The need for care can happen in an instant, or gradually as health declines.

These are important facts you need to know about LTC, now:

- 8 Million Americans currently own LTC insurance protection, and over two-thirds (67.5%) of LTC insurance claims are paid to women.
- \$10.8 Million are paid in claims each day from 10 leading insurers— this is a 53% increase from 2007.
- 57 is the average age for new buyers, but 91% of claims begin after age 70.
- 54% of policies are purchased by couples (partners), 24% are purchased by one spouse, and 22% by single individuals.
- 31% of new claims are paid for home care, 31% for assisted living, 38% for nursing home care.
- 27% of nursing home claims are the result of Alzheimer's.

So, what is LTC coverage? It is an insurance product that pays for long-term care and ranges from basic services in your home to medical care in an assisted living or nursing home. The coverage pays for, or

offsets, the expenses associated with needing assistance. Many women purchase LTC coverage so that they do not deplete their savings and retirement funds. The coverage helps ensure that the financial demands of needing care and support are in place. LTC is an important part of a retirement plan, but too often it is overlooked.

I recently encountered a client who after raising her children and losing her husband, was facing an illness that made getting around her home difficult. Let's call her Mary. She needed help with daily living activities, and was unable to drive herself to her doctor's appointments. As Mary's health deteriorated she ended up in the hospital struggling to regain her health and independence.

Mary spent months back and forth from the hospital to a rehabilitative nursing facility until her Medicare benefits ran out. Her family had to make the decision of what to do when she left the nursing facility. Would one of the children move in with her, or would she move in with one of them? Either way Mary would need someone caring for her during the day while her children went to work.

The biggest question was how to pay for someone to care for their mother, during the day. Mary's husband had died 15 years earlier and the house was paid for, but she was on a budget and. The cost of care was amounting to be far out of her reach.

Mary's story is just one of a thousand about families that did no planning and now have limited or no resources for care.

Here are the stats from one real life example:

Female, 43, purchased a LTC policy: Annual Premium of \$1,800 Claim began 3 years later and has continued for 12 years \$1.2 million in benefits PAID.

Most people don't think about LTC until it becomes a reality. By then, it's too late to secure the coverage. Take steps now to secure your future.

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