

**WHAT ARE SOME MISCONCEPTIONS ABOUT LONG-TERM CARE PLANNING?**

**Long-term care means nursing home care.**

Not true. Most long-term care is provided at home. Approximately 7.6 million individuals receive care at home at a yearly cost of \$53.4 billion. Another one million reside in Assisted Living communities.<sup>1</sup>

**It's really an issue for the elderly.**

One of the more interesting recent studies looked at the age when an individual with long-term care insurance first filed a claim. One in 10 (9.5%) were between the ages of 60 and 69. A third (32.9%) were between ages 70 and 79. Three percent were younger than 60 and the rest were age 80 or older.<sup>1</sup>

**My health insurance covers long-term care.**

It doesn't. Long-term care is generally not covered by an individual or group (employer) health plan. And, it's very different from disability protection. Plus, disability insurance generally ends at age 65, just when you are more likely to need long-term care.

**Medicare covers long-term care.**

Medicare covers a very limited amount of long-term care for just a limited number of days. Because of the need to health-qualify for long-term care insurance, you should find out more well before you reach Medicare-eligibility (generally age 65).

**DOES YOUR EMPLOYER OFFER LONG-TERM CARE PROTECTION?**

*A growing number of employers offer long-term care insurance protection, often as a voluntary benefit. Generally these employer-sponsored plans do not offer spousal or good health discounts. If you are able to qualify for these savings, you may be able to get more protection for less money with an individual plan. It pays to compare.*

<sup>1</sup> Source: 2008 LTCi Sourcebook, American Association for Long-Term Care Insurance

**BECAUSE THINGS CAN CHANGE TOMORROW, IT'S SMART TO ACT TODAY**

*If you'd like to know more about long-term care insurance protection and the costs for coverage, please ask for no-obligation information.*

*The biggest mistake is waiting because changes in health happen every day.*

Area for Personalization

**HEALTH MATTERS**

*Because of the need to health qualify for long-term care insurance protection, be prepared to share the following information.*

- Your age, height and weight.
- Whether you use tobacco products.
- Medications that have been prescribed.
- Any serious medical or health conditions.

*This brochure provides a general overview of the subject. It is not intended to provide tax advice. Changes in the law may affect the information and your situation.*

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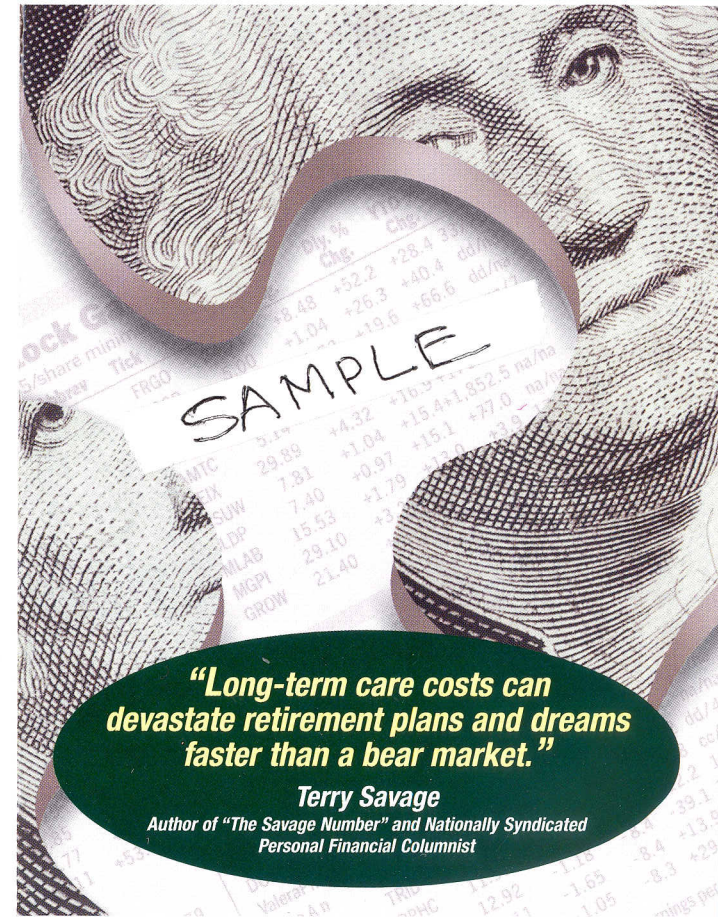
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The American Association for Long-Term Care Insurance is a national association for insurance and financial professionals.

CONSUMER GUIDE TO  
**Long-Term Care Insurance Protection**



**"Long-term care costs can devastate retirement plans and dreams faster than a bear market."**  
Terry Savage  
Author of "The Savage Number" and Nationally Syndicated Personal Financial Columnist

**2-MINUTE GUIDE**  
with important information and planning tips  
**FOR OUR CLIENTS**  
Please Take A Copy Of This Free Guide



Published by the American Association for Long-Term Care Insurance Consumer Education Division



## PLANNING MATTERS

*We believe long-term care should be part of a sound financial plan. Please take a few minutes to review this information about long-term care insurance protection.*

### What You Need To Know About Long-Term Care Planning

*Americans are living longer lives than ever. Improvements in health care and increases in longevity will help more people than ever reach their 80s... their 90s.*

*Some will even reach age 100.*

*When you live a long life, the chances are great that you will need some long-term care. Twenty years ago, who ever heard of Alzheimer's disease? Today it is a leading reason people need*

*long-term care - and certainly the most costly.*

*Over 400,000 Americans are diagnosed each year.*

*But, you may also need long-term care because of an accident or an illness such as Multiple Sclerosis or Parkinson's that often impacts you in your 40s or 50s.*

*Your financial plan focuses on building and preserving wealth and, ultimately, your plans to transfer what's been built.*

*When clients think about threats to their retirement savings, they primarily think of (stock) market losses. They fail to consider the risk of health care or long-term care costs.*

*And, many wait too long to plan for these risks.*

*Long-term care insurance is one way to protect your financial plan. But, here's the most important fact most people are not aware of. You must "health qualify" for this protection. We'll explain what that means in this guide.*

## A FAILURE TO PLAN ... IS A PLAN FOR FAILURE

*By establishing a financial plan, you've taken the most important first step for a secure financial future.*

*Now, we need to plan for the likelihood that you'll live a long life.*

*Here is some information about long-term care insurance that can be a most affordable option worth considering.*

### What Is Long-Term Care Insurance?

There are many misperceptions about long-term care insurance. For example, the vast majority of benefits paid today are for care in the home, not in a nursing home. But, simply stated insurance coverage pays for qualifying long-term care costs. It protects the assets in your plan. That's the tangible benefit. The intangible benefit is the control and choice of where care is received. Perhaps most important, having insurance to pay costs allows loved ones and family members to care about you ... not to care for you.

### What if I Have Some Health Issues?

Few people are in perfect health, so don't worry if you take some medications or have some conditions. Each of the insurers that offer long-term care coverage uses different health criteria. Knowing which of the major insurers favorably views existing health conditions will help you avoid paying too much money or being rejected for protection.

### Is There A Best Time To Get Long-Term Care Insurance?

Unfortunately, none of us knows when a stroke or an accident will occur; or if you will be diagnosed with a disabling or cognitive condition. But this we do know. You must "health qualify" to purchase long-term care insurance. So, the best time to start getting information and costs is now. Waiting is never advantageous because your health can change and since insurance policy costs are based on your age at application.

### Are There Smart Ways To Save?

Yes. Today the leading insurers offer discounts for those in good health... discounts for spouses (sometimes even when only one spouse is covered). Adding a deductible can reduce your cost. These discounts will vary from one insurance company to another. That's why it's smart to speak with an expert who has access to multiple carriers. You want to be sure to get the best coverage for the best price.

## FAST FACTS

Source: 2008 LTCI Sourcebook, American Association for Long-Term Care Insurance

### ESTIMATED YEARS OF LONG-TERM CARE NEEDED AFTER TURNING AGE 65

Length of Need	% of People
5+ years	20%
2-to-5 years	20%
1-to-2 years	12%
1 Year or less	17%
None	31%

### AGE OF LTC INSURANCE POLICY PURCHASERS

Under Age 45	7%
Age 45 to 54	26%
Age 55 to 64	50%
Age 65 to 74	15%
Age 75+	2%

### MAY BE 100% TAX DEDUCTIBLE

*If you own a business or are self-employed, your coverage may be tax deductible as a business expense. Even spouses can be covered.*

### YOUR HEALTH MATTERS

*Long-Term Care Insurance Applicants Qualifying For Good Health Discounts*

Ages	% Who Save
40 to 49	67%
50 to 59	52%
60 to 69	42%
70 to 79	24%