

Preserving Quality of Life

Special to the ASJ
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Remember all those lessons your parents taught you growing up? Respect your elders, always be polite, practice good table manners, and how supplemental insurance works. Ok, they may have missed an important lesson or two.

This article is part six of a six article series that will have the insurance conversation with you that your parents may have skipped over. You will learn about specific types of supplemental insurance, what the benefits cover, what makes a good policy, if you need insurance, and much more. The series begins with a review of supplemental long-term care insurance.

Long-term care Insurance

Long-term care insurance is a relatively new product as the need for this type of care has increased over the years with the average life expectancy. Individuals reaching later stages in life are more likely to be affected by illnesses or injuries that require more treatment time.

With that said, long-term care services may be required at any age. Older adults may steadily find day to-day living is becoming difficult without help, while someone younger may have a heart attack or other disabling accident that requires long-term care.

Neither health insurance nor Medicare are primarily designed to pay for long-term care services, which is why

long-term care insurance is so important. Long-term care insurance can help you retain assets set aside for retirement, which increases your independence by providing the funds you need to get care how and where you want it.

What does long-term care insurance cover?

Some long-term care services provide assistance with day-to-day activities, while others offer a period of rehabilitation for individuals who continue to need support to accomplish daily activities.

Who Provides Long-term Care Services?

There is a perception that long-term care refers only to services provided in a nursing home. Formal care can be given by many different long-term care providers in several locations depending upon the needs of an individual.

Long-term care services can be provided by:

- Nurses
- Physical Therapists
- Home Health Aides

They can be provided in many different settings such as:

- Your home
- An assisted living facility
- An adult day care center
- A nursing home
- A hospice facility

Should I Buy long-term care insurance?

Many individuals may feel uncomfortable relying on their children or family members for support, and find that long-term care insurance could help cover out-of-pocket expenses. Without long-term care insurance, the cost of providing these services may quickly deplete the savings of the individual and/or their family.

What to look for in a long-term care policy?

A side-by-side comparison is crucial to getting the best benefits at the best price. When looking at these coverage options there are three benefit advantages you should review.

Inflation Protection

It is reasonable to expect the costs of long-term-care to rise over the life of your policy. Most plans don't offer a benefit that increases coverage with the escalation of nursing-home costs, so you will need to choose an annual rate of growth for your policy.

Length of Coverage

It's better to have flexible benefits and shorten your length of coverage when consider a

long-term care policy. A plan that covers three years may last longer than you think as many individuals start care at home or in an assisted-living facility which means less spending on your daily benefit.

Know Your Insurer

Only buy policies from insurers with a strong financial rating in order to bypass the heartache of having trouble with getting claims paid. Also, check complaint records with your insurance regulator to find out more information about the insurers reputation.

What is the value of long-term care insurance?

There is significant value in long-term care insurance if you don't want to depend on others financially, are a female, or have a family history of major illness.

With long-term care insurance you can be assured that you and your loved ones will remain financially secure during a prolonged treatment. The cost of hiring a home aid or moving into an assisted-living facility is a financial risk worth planning for.

If you are a woman, the value of long-term care insurance may be greater, as they tend to outlive their husbands. Also individuals with a family history of major illnesses like Alzheimer's have a greater need for long-term care because they are more likely suffer from illnesses that lead to long stays in a home.

Real Needs

You happen to live in an area where your close test family member can't reach you easily. You are finding it difficult to complete all your daily tasks due to poor health, but don't really need around-the-clock help. Hiring a Home Aid would help your situation, but you can't afford it on your fixed income.

With a long-term care policy your benefits could pay the daily costs of hiring the Home Aid you need.

Taking Action

If you are interested in purchasing long-term care coverage, talk to your employer to see if this benefit is offered. Organizations that offer supplemental long-term care insurance may give you the option to pay through convenient payroll deductions.

When shopping around, be sure to do side-by-side comparisons as this is a great way to decide on a policy and an insurance company.

Once you have decided on a long-term care plan, you can submit an application over the phone or may be able to fill one out online. While speaking with an insurance agent to verify your application information, take the time to ask any questions you may have. Once your coverage is approved you will receive comprehensive information about your policy.

The Bottom Line

Investing in long-term care insurance is a smart decision that can protect your financial assets, including retirement and income. You will also know that you are protecting your loved ones from any financial burden that an extended treatment may bring.

If you have any additional questions regarding basic long-term care coverage, you can contact a reputable insurance company to speak with a specialist.

This series was brought to you by Collateral Educator Services. For more information and to see other articles in this series visit www.aeabenfits.com

What Does LTC Insurance Cover?

Long-term care insurance can pay for the following expenses:

- Home Care
- Assisted Living
- Adult Daycare
- Hospice Care
- Nursing Home
- Alzheimer's facilities