

Common Excuses for Not Researching or Purchasing a Long-Term Care Insurance Policy

by Paul J. Brooks
Brooks Financial Group, Inc.

When you think about your plans for retirement, a nice place to live, traveling, playing golf and leaving an inheritance for loved ones or charities may all be part of your plan. Sounds great! But what will happen to your plan if you become unable to care for yourself due to an illness, accident or maybe just the effects of getting older? You'll need some type of long-term care, and that won't come cheap.

Current statistics represent that 60 percent of Americans who reach age 65 will someday need long-term care (LTC) services. Most people will derive excuses as to why they may not need a LTC policy; however, in reality they need to learn more about long-term care insurance and understand the chance they're taking by not insuring themselves against the risk of one day needing assistance with even the minimal tasks of daily living. Delaying or avoiding the decision to buy a long-term care insurance policy can mean the difference between living your retirement years on your own terms or facing some very difficult financial realities.

Below are some of the more common excuses heard and the common rebuttals to those excuses.

I CAN'T AFFORD IT.

This is the most common reason given for not researching, securing a proposal and/or owning long-term care insurance policy. Yet according to LIMRA International, a market research organization, people who have never shopped for policies overestimate the cost by as much as five (5) to ten (10) times. Long-term care insurance can be quite affordable, especially if you buy at a relatively young age. LTC consultants estimate that \$1,800 a year in premiums would buy a 40-year old couple three years of benefits at a daily payout of \$140. If that same couple waited until they were 50 to buy, they would be paying \$3,900 a year. Of course, Cost of Living Adjustments are figured into the figures, ensuring that your long-term care carries the value you need, when you need it.

MY HEALTH INSURANCE, MEDICARE OR MEDICAID WILL COVER IT.

Don't count on it! Health insurance only pays for doctor and hospital bills, maybe your prescription costs as well as some limited skilled Home Care. Medicare only covers short-term rehabilitative and skilled care that you receive after being hospitalized for at least three days. Home Health Care can provide for 60 days of short term visits. Medicaid, on the other hand, does pay for long-term care services but will only pay for care if you have very limited assets and meet

federal poverty guidelines. Moreover, having Medicaid pay for your care also means you may not have much say in choosing who provides your care.

MY FAMILY WILL TAKE CARE OF ME.

Family members are often the first line of defense for loved ones who need long-term care services, but this is often not a permanent or wise solution. Most people don't want to depend on their loved ones to care for them for the long-term. Those in the 'sandwich generation' especially, who are currently taking care of both their aging parents and their growing children, know the emotional and financial challenges caring for loved ones can bring. Taking appropriate steps now will ensure that when the time comes, your family members have the help they need to provide quality care.

THE REVIEW AND BUYING PROCESS IS TOO COMPLEX.

Long-term care policies do have a multitude of options and features, which is why it is important to seek assistance from a qualified insurance professional who specializes in these products and will assist with designing a policy to meet your needs.