



# The Top 5 Reasons To Secure Long-Term Care Insurance Now

## You've probably heard the statistics.

Worldwide, 13 percent of people over the age of 60 require long-term care according to the World Alzheimer Report 2013. Roughly half suffer from dementia, including 80 percent of seniors in nursing homes. The number requiring long-term care is expected to triple by 2050!<sup>1</sup>

Still, you may be thinking that long-term care is something you can think about later or just finance with your retirement savings when the need arises. Think again.

## Below are five reasons to secure long-term care insurance (LTCI) now – not later.

- 1. The cost of care is growing exponentially.** For a 55-year-old Illinois woman, the median monthly cost for a private room in a nursing home is \$5,870 in 2013. However, in 25 years, when she is 80 and actually needs care, that same room will cost \$19,878 per month according to the Genworth Cost of Care Calculator.<sup>2</sup> How long would your savings last if you had to pay \$19,878 a month for a room?
- 2. You can only buy long-term care insurance when you're healthy.** Once you've been diagnosed with a disease or chronic condition, the cost of LTCI becomes prohibitive.
- 3. You can't rely on the government.** Programs such as Social Security, Medicare and Medicaid are expected to struggle to support an influx of aging Boomers with increasingly longer lifespans.
- 4. Premiums are lower and payouts are higher when you buy young.** While buying young obviously costs less per month in the short term, it also makes sense over time. For example, if you buy LTCI when you're 55, you could pay roughly \$75,000 in premiums and receive more than \$800,000 in benefits. Conversely, if you buy at age 75, you would pay nearly \$100,000 in premiums over a 10-year period and receive just \$310,000 in benefits!<sup>3</sup>
- 5. LTCI may have better tax implications than alternative financing methods.** If you are planning to pay for long-term care with other assets, talk to your financial planner. In some cases, the tax implications make long-term care insurance a more viable option.

## Don't delay! Long-term care planning should be taken care of right away!

1: <http://www.alz.co.uk/research/WorldAlzheimerReport2013.pdf>

2: <https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html>

3: <http://www.marketwatch.com/story/5-reasons-to-buy-long-term-care-insurance-now-2013-09-11?pagenumber=1>

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