



10 MOST ASKED

# QUESTIONS

ABOUT LONG-TERM  
CARE INSURANCE



1

## ISN'T IT LIKE DISABILITY INSURANCE?



No. Disability insurance replaces your income if you are unable to work. Long-term care insurance covers the cost of care if you are ever unable to take care of yourself. Also, disability insurance is only in effect while you are working. When you retire, it is no longer in effect.

## 2

# HOW ARE THE BENEFITS TRIGGERED?



You become benefit eligible when you are unable to perform two of the six activities of daily living: bathing, dressing, toileting, transferring from a bed to a chair, eating or bowel and bladder control. Or if you have Alzheimer's disease or another form of cognitive impairment.

### 3

## WHAT ARE THE UNDERWRITING REQUIREMENTS?



The application asks health questions and after you apply, the insurer will schedule a telephone or face-to-face health interview. They will also contact your physician for your health records. Common issues that make an applicant uninsurable are: use of narcotic medication, dementia, diabetes with insulin use, back or spine problems that affect mobility, being on social security, disability or having a high percentage of VA disability, having an upcoming surgical procedure (you'll have to wait until it is completed) or having a very heavy build.

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## WHAT EXACTLY DOES THIS INSURANCE DO?



It is a new source of tax-free income at the time you need extended care. It pays for help at home or in a facility, but most importantly it protects your spouse and family from full-time caregiving. And it protects your future income.

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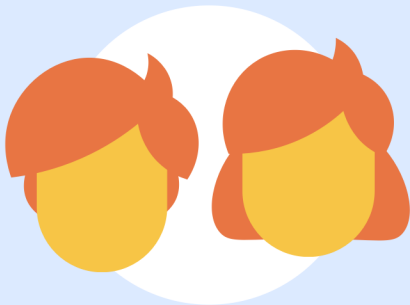
## WHAT IF I DIE?



It varies by carrier and your age at death, but there may be some amount of premium that will go to your beneficiary. If a couple has a policy with the “shared care” rider, if one dies, the surviving spouse will inherit the other’s benefits.

6

## WILL IT PAY FOR A FAMILY MEMBER TO BE MY CAREGIVER?



Generally speaking, the policies will only pay for a licensed caregiver from a healthcare agency. Unless your relative meets those criteria, the policies won't pay. However, a number of carriers offer a cash benefit that is a certain percentage, such as 30%, of the monthly benefit. That can be used for any purpose, including paying for an informal caregiver.

7

## WHAT IF I USE ALL THE MONEY IN THE BENEFITS?



You might, but at least you would have used the money in the policy first and kept your own assets from eroding for several years. People pay for long-term care with income, not assets, but when your income is already dedicated to pay for your lifestyle, it's a strain to pay for extended care at the same time. Think of this as your first liquid money that will pay for your care at home and if needed, in a facility in later years.



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## WHY IS IT SO EXPENSIVE?



Actually it is very reasonable compared to the cost of long-term care. The annual cost of care averages \$91,250 per year for a private room in a nursing home. At home care is also expensive, averaging \$45,760 per year for a home health aide. And these costs increase every year. This insurance makes sense if you would like to protect your assets and your estate from the potential expense of paying for long-term care.

Source: 2015 Genworth Cost of Care Survey

9

## WHAT IF I NEVER NEED LONG-TERM CARE?



It is the same as with any other insurance. Your home might never burn down, but you wouldn't go without homeowner's insurance. You're protecting your assets against a possible risk, and the odds of needing long-term care in your older years are much higher than the odds of major damage to your home.

# 10

## WHAT DOES IT NOT COVER?



If doesn't cover the services covered by Medicare and it doesn't cover items excluded by the policy, such as care provided by a family member, services provided outside of the U.S. or loss resulting from attempted suicide or drug addiction.