LONG TERM CARE INSURANCE CONSIDERATIONS

If you don't plan in advance, you could be forced to pay thousands of dollars per month out of your own pocket to live in a nursing home. One of the ways to mitigate this cost is long-term care insurance. Although we do not sell long-term care insurance, we believe the following to be important considerations when determining if it is right for you:

(1) **Amount of Coverage**. The amount of monthly coverage provided by the nursing home. Nursing home cost in Florida is expensive, and the amount of monthly coverage varies from facility to facility. To have a reference point, investigate the cost of facilities in the area where you anticipate receiving care.

(2) **Benefit Period**. The amount of time for which the long-term care policy will pay a benefit. Policies are often sold with benefit periods of 3 or 5 years.

(3) **Elimination Period**. The amount of time for which you must receive long-term care before the policy will begin to pay. Also referred to as the "waiting period." Generally measured in 30-day increments. Medicare may mitigate expenses during this time. Example: your policy has a 120-day elimination period, so you must receive long-term care for 120 days before the policy begins to pay a benefit. During the first 100 days, you may receive some assistance from Medicare, but you may be solely responsible for the cost of your care for the remaining 20 days.

(4) **Inflation Rider**. Provides an inflation adjustment for your coverage. With this feature, the level of coverage you receive increases as the cost of care increases. Can be costly, but is particularly important if you are purchasing a long-term care policy while you are young because you are unlikely to need benefits until a much later time, when the cost of care may be significantly higher.

(5) **Non-Forfeiture of Benefits Rider**. Addresses what happens to your premiums if the long-term care policy is terminated for non-payment of premiums. With this rider, the insurance company is required to hold money in reserve to pay a future benefit, or if no such benefit is needed, to pay to your designated beneficiaries at your death.

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(6) Waiver of Premium. Eliminates the need to pay premiums during any period under which you are receiving benefits. Without this feature, you will be required to continue to make the monthly premium payments during that period.

(7) Bed Reservation. Pays your skilled-nursing facility to hold a bed for you when you are in the hospital for treatment that cannot be addressed by the facility. Example: If you are in a skilled-nursing facility for Alzheimer's care and you have a stroke, you may be temporarily transferred to the hospital for treatment. With a bed reservation feature, the policy will continue to pay for your space at the skilled-nursing facility so you can return to the facility for ongoing care after treatment for the stroke. Without the bed reservation feature, you would be responsible for paying the cost to hold the bed, or your space at the facility could be lost.

(8) Single Policy for Spouses. A shared care policy is a type of long-term care policy where a married couple has a single long-term care policy that could pay out the benefit for either of them. Example: If you purchase a three-year shared care policy, you will have a total of 6 years to share between you and your spouse. If your spouse uses two years of the policy, you will have 4 years. Shared policies may be more expensive than separate policies with the same benefit period, but it will allow you to buy a shorter policy, knowing that your benefits are pooled together.