

Western Pennsylvania Guide to Good Health

Health News You and Your Family Can Use to Achieve Optimal Health

FINANCIAL FITNESS FOR LIFE

Long-Term Care Insurance Checklist

By Donald W. Angel, CFP®, AIF®

Adults of all ages need to know whether to buy long-term care insurance (LTC). Generally, LTC is good if you have income to pay premiums and significant assets to protect (home and assets above \$100,000) in the event of a serious illness, a desire to live independently and other key healthcare choices during your senior years.

HERE ARE 10 THINGS TO KNOW

1. **Medicare doesn't cover LTC:** Medicare will not pay for both nursing home care and extensive care options at home. Medicare requires that most care be received in a skilled nursing facility.

2. **Money is only one resource:** The average nursing home stay is between two to three years, with the out-of-pocket LTC cost more than \$200,000.

3. **It's not cheap:** Unsubsidized premiums for insurance may run into the thousands annually. Rate increases are always an option for an insurer if a state allows it.

4. **How's your health?** People in good health at age 55 – the typical age for purchase – usually get the most affordable premiums, based on current health status and age.

5. **Insurance isn't just for retirees:** Only 63 percent of Americans needing insurance are age 65 and older, which means that the rest are younger and face illness, accident or congenital issues.

6. **Women's interest:** Because women on average live longer, they should understand their risks.



7. **What insurance covers:** A basic policy covers primary activities of daily living including eating, dressing, bathing, toileting, continence and transferring (bed to chair, etc.).

8. **A fast startup of benefits will cost:** A qualified benefit is not paid until you are unable to perform up to six basic activities of daily living, or if requiring substantial supervision related to a cognitive impairment.

9. **If remaining in your home:** The best policies pay the same or greater amount of benefit whether care is received in a long-term care, assisted living or adult day care facility, or at home.

10. **Evaluate carefully:** Check the A.M. Best ratings of prospective insurers, from financial ratings to product offerings from firms with experience.



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