

# Group Long-Term Care Insurance

If you are concerned about increasing health care costs for yourself and your employees, now may be the time to consider group long-term care (LTC) insurance.

## WHAT IS GROUP LTC INSURANCE?

LTC insurance helps insure against the possibility of personal spending for nursing home care and community-based care. As the name implies, LTC covers the costs of “long-term care” services such as nursing home care, assisted living and home health care. Simply put, LTC insurance helps provide its holders with peace of mind by helping to eliminate the concern about whether you and your employees will be able to afford the necessary services in the future.

## WHY IS LTC INSURANCE IMPORTANT?

The cost of long-term care is on the rise. Currently, one year in a nursing home averages \$74,000 and the average stay in a nursing home is 2.4 years\*. This can quickly become a large and burdensome expense.

LTC policy owners can rest assured knowing they will be covered should the need arise. LTC insurance can help ensure the costs of long-term care will not burden you, your children, your employees or their children. LTC insurance safeguards against the depletion of your hard-earned assets and protects against family dependence.

## MEDICARE AND MEDICAID

While estimates differ slightly, it is generally agreed that Medicare pays for less than 8 percent of the nation’s nursing home costs. Due to the detailed list of requirements an applicant must fulfill before receiving limited coverage, Medicare is not often a viable option.

Medicaid isn’t appropriate for many people either. It was designed to cover those who are unable to pay for their own medical care. In order to receive Medicaid benefits for nursing home care, patients are forced to “spend down” their assets to be considered impoverished.

## DEDUCTIBILITY OF LTC INSURANCE

Both your company and your employees receive tax breaks for LTC insurance. Employer contributions made to a group plan are deductible as a business expense for the employer and non-taxable to the employee. Employees who contribute to the plan may be eligible to deduct a portion of their premium as a medical expense. An employee’s spouse can be covered and deducted as well.

## IS LTC INSURANCE RIGHT FOR YOUR BUSINESS?

There are many benefits of group LTC insurance for you and the employees you choose to include:

- Group LTC insurance plans may offer discounts to you, your employees and spouses.
- It provides asset and retirement plan protection from unexpected medical costs.
- Group plans can allow you to choose which employees are eligible to participate in the plan.
- Coverage is portable, which means the employee owns the plan.

A LTC insurance plan is a great enhancement to your employee benefit package, thus increasing employee satisfaction and retention. All of these benefits can be attained with little or no increase to your current benefit costs.

## HOW RBC WEALTH MANAGEMENT CAN HELP

Your RBC Wealth Management® Financial Advisor can provide you with information and help design a plan to fit your business’ needs. Contact your RBC Wealth Management Financial Advisor today to learn more about group LTC insurance.

*\* MetLife Market Survey of Nursing Home and Home Care Costs*

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