

Long-Term Care Insurance

THE ADVANTAGES OF LONG-TERM CARE INSURANCE

If you are concerned about increasing health care costs, now may be the time to consider long-term care insurance.

WHAT IS LONG-TERM CARE INSURANCE?

Long-term care (LTC) insurance helps insure against the possibility of personal spending for nursing or custodial care. As the name implies, it provides benefits for the costs of “long-term care,” whose services primarily consist of nursing home care, assisted living facilities and home health care. Simply put, LTC insurance helps provide its holders with peace of mind. It reduces the need to worry about the rising costs of health care and whether or not you will be able to afford the services you may need in the future.

WHY IS LTC INSURANCE AN IMPORTANT CONSIDERATION?

With an increasing number of people needing long-term care each year, policy owners can find assurance in the fact that they will be covered. Long-term care expenses can quickly add up considering an average nursing home stay is 2.4 years at an average cost of \$74,000 a year*. This doesn't need to cause you to worry, however. Long-term care insurance provides relief for these expenses so as not to burden family members. Protecting against family dependence, LTC insurance enables you to maintain your hard-earned assets and have the freedom to use them as you wish, not as you must.

MEDICAID AND MEDICARE

While estimates differ slightly, it is generally agreed that Medicare pays for less than 8% of the nation's nursing home costs. With a detailed list of

requirements that an applicant must fulfill before receiving limited coverage, Medicare is often not a viable option for long-term coverage.

As a welfare program, Medicaid isn't appropriate for many people either. It is 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.

IS LTC INSURANCE RIGHT FOR YOU?

The most important question to ask yourself when deciding whether LTC insurance is right for you is whether you are worried about long-term care expenses and the possibility of “runaway” health care costs. If the answer is yes, a policy that is not a financial burden may be right for you. There are many different degrees of coverage from which to choose. You can tailor a plan that is comfortable for you by determining your benefit period, benefit amount, waiting period and several other options.

You've spent your lives trying to build your assets. Now through long-term care insurance, we want to help you keep them.

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

© 2011 RBC Capital Markets, LLC. All rights reserved.



RBC Wealth Management®