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## Don't underestimate the importance of long-term care insurance

It's unpleasant to think you might need help caring for yourself, but it's important to have a plan in case you do

Fear of losing independence is one reason many women ignore long-term care issues, neglecting to talk about things like long-term care insurance, assisted living or nursing home care in their later years. According to the 2012 State of Planning Survey, 60% of women and 56% of men said they did not have a plan for long-term care. Just over half had discussed long-term care with family members.

But, it's an important discussion to have because two-thirds of current 65-year-olds will need some kind of long-term care, and 20% will need care for longer than five years, according to the Department of Health and Human Services.

This is especially important for women to consider because women tend to live longer – an average of five years longer, according to the American Association for Long-Term Care Insurance (AALTCI). As a result, many women deal with long-term care issues twice: Once in helping with the care of her spouse, and then after his death, she will likely need long-term care herself. As AALTCI notes, almost half of long-term care insurance claims occur after age 80. Since more than two-thirds of Americans aged 85 or older are women, it's likely women account for a good portion of those claims.

Many people think long-term care is covered by Medicare or Medicare supplemental insurance. It's not. Long-term care generally is paid out of pocket or through a long-term care insurance policy. Since care can be very expensive, it may be beneficial to consider your options now before you need it. Initiate a conversation about long-term care with your financial advisor and your loved ones. The conversation should have two parts:

1. What form do you want your long-term care plan to take? Staying at home, moving in with relatives or moving to an assisted living facility?
2. How do you plan to pay for this plan?

A policy could provide you with a quality of care you might not otherwise be able to afford, and could provide family members with a financial safety net should you become incapacitated. Your financial advisor can help you choose the coverage you need.

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