

## Long Term Care... It's Not What You Think

"I'm not going to need it."

"I'll never go into a nursing home."

"I'm too young."

(and the immortal)" My kids will take care of me."

Life is unpredictable. I remember a case where the husband and wife were 22 years apart, and when the husband applied for Long Term Care insurance coverage, it was actually less expensive to apply for the wife as well, for with the couples discount it was cheaper to insure the couple than the husband alone. Lo and behold, about three years later during a ski trip, the wife (in her 40's) hit a tree and broke more than a few bones in her body. The Long Term Care insurance policy paid for at-home care for her for months that would not have been covered by her medical coverage. The moral to the story: Long Term Care insurance isn't only for those that are "old."

There are many misconceptions about what the coverage does, and how much it would cost to care for a loved one needing nursing, at-home, respite or adult day care costs. A survey done by National Financial Consumer Corp. asked Baby boomers what they thought nursing care insurance would cost in year 2030, and the average of the answers was \$111,507- with inflation and projections, that's far from the projected cost of approximately \$230,000. While many Baby boomers are in denial about the fact that they need nursing or assisted care living sometime in the future, the US Dept. of Health and Human Resources estimates that 70% of Americans over the age of 65 will need some type of Long Term Care assistance during their lifetime.

Only 25% surveyed said they already had coverage, the remaining plan to supplement the need if it occurs from their savings or 401(k) accounts. The problem with that? Once the spouse or partner utilizes the funds, there usually isn't much left of the well partner, often with a lifespan of another 10-20 years. A problem? You bet.

Most policies have provisions for coverage for home health care, for those who are against going into a nursing home or institution. The average cost today is in excess of \$400 per day, so you can only imagine where the costs are going. A couple with a hefty nest egg can see it depleted in a few short years. If you hate paying for insurance you think you'll never use, just think about your car or homeowners insurance: when was the last time you put in a claim? Nobody likes to pay for insurance we think we will never use, but the reality is we pay and HOPE we'll never use it. So, if you think it's money down the drain, ask anybody whose parents had to go into a nursing care facility or had home care...it's a mighty big drain.

Moreover, there are now policies that have come out that are "hybrid" policies that are available that combine long term care with life insurance so that the premiums you pay will accumulate and will be paid out- one way or the other.

If you haven't examined your options when it comes to long term care, maybe you should- for yourself, and for your family.

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