LTC or CI – BLOG CONTENT

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Why Care about Long-Term Care Costs – and Why a Traditional LTC Policy May Not Be Best

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No wonder so many people are worried about paying for long-term care! Just look at the facts:

- 70 percent of people turning age 65 will likely need some type of long-term care during their lives, according to the Administration on Aging
- Unfortunately, an American reaching age 65 today can expect to incur nearly $140,000 in future long-term care expenses, according to the Centers for Disease Control (CDC).
- Yet, Medicare doesn't pay for services extending beyond 100 days in skilled nursing facilities.
- In fact, most people who need long-term care reside in private homes and receive their informal care from loved ones, according to the Congressional Budget Office.
- And by the time the youngest baby boomers turn 86, in 2050, the number of available family caregivers is expected to be nearly 60 percent lower than in 2013, according to the AARP Public Policy Institute.

In light of these types of concerns, some people consider purchasing a traditional, stand-alone long-term care (LTC) insurance policy, designed to pay benefits when qualified expenses occur. Examples of situations in which benefit payment can be triggered include medical certification of a severe cognitive impairment or an inability to perform two of the six activities of daily living (eating, toileting, transferring, bathing, dressing, continence).

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However, the condition must be expected to impact the insured for a minimum of 90 days. Furthermore, far fewer LTC policies are available now than in years past, as many carriers have exited the market. Some people find the cost of the available LTC policies cost-prohibitive and seek more flexible, affordable solutions.

Consider Combination Products
Among the alternatives to traditional, stand-alone LTC products are combination products. These solutions include life insurance policies with built-in or available living benefit riders for long-term care specifically or for chronic illness (which often leads to the need for long-term care).

These two types of riders are designed to allow the policy holder access to an accelerated portion of the life insurance policy’s death benefit (with a corresponding decrease in the death benefit), when the terms of the rider have been met. In other words, these products are structured as multi-purpose solutions and may represent the best value for some people.

Learn about some of the differences between LTC riders and chronic illness (CI) riders on life insurance products – and why CI riders, in particular, may be the perfect choice to provide access to cash while living.

For more information, *(insert call to action).*