

3 Quick questions about long-term care insurance

Long-term care insurance helps to fund care if you are unable to care for yourself – and like other types of insurance coverage, you can't wait until you need it to start thinking about it. An accident or illness could change your life from one moment to the next. If you plan ahead for the expense of long-term care, you and your family will be in a much better situation should you need assistance.

Do I need long-term care insurance?

Now that people are living longer, nearly 70% of individuals will need long-term care services, according to the U.S. Department of Health and Human Services (HHS). Unlike disability insurance, which replaces lost income due to an injury or illness and doesn't offer benefits past age 65, long-term care insurance funds care-related expenses and is typically used after retirement age. Care-related expenses include home health care, nursing care and adult day care – significant expenses that can quickly add up.



When would I use long-term care insurance?

Long-term care insurance helps to fund care when you are unable to perform the basic functions of daily living on your own. It is not only for end-of-life care. If you develop a chronic illness or disability, a long-term care policy can help cover your expenses for costly home health care, nursing care or adult day care. Under most long-term care policies, you're eligible for benefits when you need assistance with at least two of the six "activities of daily living": bathing, dressing, eating, toileting, caring for incontinence, or transferring yourself into or out of a bed or chair. You're also eligible if you suffer from dementia or other cognitive impairment.



What types of long-term care insurance policies are available?

There are policies available that offer long-term care coverage only; however, these traditional policies have a considerable drawback: the premium can increase at any point in the future. As such, there has been a shift in the market away from these traditional policies toward hybrid policies that offer both life insurance and long-term care with the ability to lock in premiums at a guaranteed rate. These policies offer a death benefit that can return the long-term care premium to your heirs if those benefits are not used.



If you don't have long-term care insurance or it's been a while since you reviewed your policy, reach out to Kaufman Rossin Insurance Services.