

# MONEY MATTERS



## Families Not Discussing Long-Term Care Costs

(NAPSA)—Families are facing a communication gap when it comes to discussing financial matters that will affect all generations—specifically, when discussing long-term health care planning.

A recent survey sponsored by Bankers Life and Casualty Company found that there is a distinct gap in perception between elder adults' actual decisions on long-term care issues and younger adults' perceptions of what their parents' viewpoints are.

Significantly more younger adults (age 35-55) believe their parents have long-term care insurance or admit they do not know, while four out of five indicated they discuss everything or all important issues with their parents.

Another gap relates to expense payment for parental long-term illness. Older adults (age 66-80) plan on paying for this themselves, while younger adults believe an equal share will be paid for between the parents, insurance, and Medicare.

The survey, Aging in America, completed in first quarter 2004, found that 42 percent of adult Americans believe their parents have long-term care insurance, while only 31 percent of senior Americans polled said that they currently have a long-term care insurance policy. Alarming, even those numbers are deceiving.

"Industry estimates put the fig-



ure closer to 10 percent," said Susan Morisato, chief actuary with Bankers. "This is astonishing, because it shows that people are not fully aware of the need for supplemental insurance in order to maintain a high quality of life."

Without appropriate financial planning, seniors or their children will have to take responsibility for long-term care costs. According to the American Council of Life Insurance in a June 18, 2004 press release, "About one-in-five Americans 65 and older—and nearly half of those over 85—need assistance with everyday activities. Over the next 30 years, that population will more than double to 80 or 90 million, dramatically increasing the number of individuals needing long-term care services and placing a huge strain on families who will need to provide caregiving."

"It's a difficult topic for families to broach," said Morisato. "No one wants to think about aging, but parents and adult children must talk about their health plans in

order to protect families in the case of long-term care."

Helen Foley and Jamie Cox, agents in the Tacoma, Wash., Bankers branch office, suggest the following tips to start a family conversation about long-term care needs:

- Know what you are talking about

Do your research on long-term care insurance and know the facts so you can talk knowledgeably about the topic and help educate your parents if needed. Know what benefits are included in a long-term care insurance policy and how it differs from Social Security and Medicare.

- Have a goal

Decide in advance how you would like the conversation to end in order to know the conversation was beneficial. It can be as simple as agreeing on another time to talk or as detailed as laying out a future financial plan, or planning to meet with a financial advisor.

- Provide examples

Describe specific instances of what happened to people you have known when they were faced with a long-term care decision. This shows that you are approaching them out of concern, rather than having them think you are intervening in their private issues.

For more information about long-term care planning, call 1-800-231-9150 or visit <http://www.bankers.com>.