

Planning For Your Long-Term Care Needs

(NAPSA)—Preretirees and retirees are still feeling the economic pinch. With individuals' assets still trying to recover from market downturns, planning for the costs associated with long-term care is increasingly important.

According to the 2009 MetLife Long-Term Care IQ Survey, fewer than half (45 percent) of those surveyed were aware that one in five American households care for an adult family member or loved one. A majority of respondents were also unaware that most long-term care services are received at home, and a small minority (9 percent) of respondents are taking action to protect themselves from potentially significant long-term care expenses with long-term care insurance. The need for long-term care can happen at any time, not just when an individual ages.

The misconceptions surrounding long-term care can have costly implications in the future. According to the 2009 MetLife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs, the national average annual rate for home health aides increased 5 percent, to \$27,300 per year in 2009, and the costs for a semiprivate room in a nursing home increased to \$72,270 per year in 2009.

These statistics are startling when you consider the chances that as longevity increases, so might the risk that individuals will suffer a major health event requiring long-term care. According to the December 2009 data from the U.S. Bureau of Economic Analysis, national savings rates are low. The average American is not likely to have money readily available to cover the tens of thousands of dollars it can cost each year for long-term care, according to the MetLife study. As a result, the average American could find the retirement savings they worked so hard for quickly eroded.

Long-term care insurance (LTCI) is one way that individuals can help protect themselves and their loved ones against the financial impact of long-term care.

What You Should Know About Long-Term Care Insurance (LTCI):

- LTCI is not the same as medical coverage.
- The need for long-term care can happen at any time, not just when an individual ages.
- It is important to purchase LTCI from a company that is stable and financially sound.
- Generally, the younger someone is when he or she purchases LTCI, the lower his or her premium can be.
- LTCI should be considered not only for your own future care needs but also those of your spouse or significant other as well as your parents. 

Unfortunately, many consumers do not fully understand the need to prepare for such an expense and are unable to identify the types of insurance programs that will pay for long-term care.

About LTCI

LTCI is designed to help pay for long-term care services if an individual needs them. Depending on the type of policy and coverage selected, this insurance can provide coverage for care in various settings, including an individual's home, adult day care center, assisted living facility and nursing home.

Long-term care can also have emotional costs that are more difficult to calculate, especially when it comes to the impact on family members. The responsibility of caring for an aging spouse or parent can create stress for the entire family. In the case of multiple children caring for a parent, it is not uncommon for one child to take the lead role in providing care. This tends to impact the family dynamic and has the potential to create tension in relationships among siblings, between parents and children and, in some cases, the grandchildren. One solution to this is getting private care. While such care can alleviate the stress on a family, it comes at a cost, which can be covered by long-term care insurance.

When To Start

There is no time like the present for establishing a plan to help protect yourself and your family against the cost of long-term care services. Consider the following about long-term care insurance:

- Age is a factor in determining LTCI premiums—the younger someone is when he or she purchases LTCI, the lower his or her premium can be.

- LTCI can give peace of mind, ensuring you won't become a financial or emotional burden on your loved ones.

- You spend your life saving for retirement, and LTCI is a key way to help protect those savings if you need long-term care at some point in your life.

- Everyone strives to lead a long and healthy life, but living longer can increase your chances of needing long-term care services—make sure you are able to enjoy your long life with the proper protection.

It is important for individuals to not only consider their own future care needs but that of their spouse or significant other. While a healthy spouse may be able to provide some level of care without any outside support, providing care over an extended period can take a toll. At some point, the spouse may not be able to provide the necessary care or may also need long-term care.

In addition, individuals should consider the future care needs of their parents. LTCI can help alleviate the financial and physical burden of caring for aging parents while at the same time raising children yourself.

It is important to purchase LTCI from a company that is stable and financially sound and that also has a history of providing this type of insurance. Individuals may not need to use the benefits from their LTCI policy for 10 to 20 years or more after purchasing it, so it is essential that they have confidence that the company they purchase from will be there for them in the future.

To learn more about long-term care insurance, speak with an insurance agent or financial adviser.