

Use Life Insurance To Fund Long-Term Care Costs

(NAPSA)—Uninsured long-term care (LTC) expenses don't have to wreak havoc on your financial security—if you plan ahead.

According to a recent U.S. Congressional Budget Office report, the average annual cost for a private room in a nursing home is nearly \$70,000. LOMA, an insurance industry research group, found only 10 percent of Americans over the age of 65 have purchased any type of long-term care protection.

Don't assume health insurance or Medicare will cover LTC expenses. Those plans only cover skilled care—meaning some type of improvement in condition is taking place. LTC is for chronic care, which is not generally covered by health insurance.

A stand-alone LTC policy offers only one benefit, while a life insurance policy with an LTC rider may have multiple benefits. These policies can provide funds should an LTC need arise, and still provide at least a partial death benefit even if the maximum LTC amount is used. If long-term care is not needed, the death benefit still exists. Many find it comforting to know a specified amount of money will go to the beneficiaries.

“Consumers are concerned about having enough money during their lives because they expect to live longer,” said Peter Golato with Nationwide Financial Services, Inc. (NYSE: NFS). “They also want financial independence and control. They want to access the death benefit while alive for terminal illness or long-term care needs, but still have low-cost protection.”

Golato said consumers should look for an indemnity-based LTC rider that provides an accelerated death benefit to use for LTC. This means that—once the policy-



holder qualifies for LTC—the contract owner is paid directly and the money can be used as he or she wishes. No bills or receipts are required to reimburse LTC expenses, which can be a great convenience.

“However, the biggest advantage is if the insured individuals don't use LTC, they don't lose the value of the death benefit,” he said. “As your personal situations change—marriage, birth of a child or job promotion—so will your life insurance needs. Care should be taken to ensure this product is suitable for your long-term life insurance needs.”

Golato also said consumers should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance that vary due to gender, health and age. Additional charges may occur for riders that customize a policy to fit the individual needs of consumers.

Insurance companies may have varying restrictions and requirements, and guarantees are based on the claims-paying ability of the insurance company, so seek guidance from a trusted insurance agent or financial professional.

For more information, visit www.nationwide.com.