



# *5 Reasons You Should Consider Long-Term Care Insurance Planning For You and Your Family*

Due to today's increased longevity and changes in health care, long-term care is one of the greatest risks our families face. Yet because many people do not understand the potential need for these services many people avoid planning for this risk. Others, because they do not realize the high cost of care and the fact that it is not covered by health insurance choose to retain this risk. After carefully considered it as a part of their retirement or financial plan, many Americans are choosing to transfer this risk by way of insurance. Each person has their own concerns and priorities for their family. Here are five reasons you should consider transferring the risk of long-term care away from your family and estate.

## **I. Consider Your Spouse and Family**

Long-Term Care whether expected or unexpected can create untold stress for your spouse and family members. Caregiving can take a physical toll on family members, usually women, who have to help with bathing, dressing, and performing other tasks for a prolonged period of time. It can also make an emotional impact on the family as they have to take care of a loved one who has always been in a strong parental role. There can even be an unexpected role reversal in the parent-child relationship.

Long-Term Care may also impact the family financially when caregivers have to quit work, take time off or reduce to part time status.

Long-Term Care insurance can help by setting a predetermined course for care, such as using professional caregivers during the day and family members in the evening when available. Long-Term Care Insurance also can

provide resources to help your family provide the best care available. These additional resources may allow your family to weigh options they may not otherwise have the money to consider.

## **II. Independence and Control**

Control comes in different forms. First of all, control over where care is provided. When you have additional sources of funding, you can control your care. Long-Term Care may be provided in a Nursing Home, Assisted Living Facility or in your own home. Most people agree that their home is the best place to receive care. However, depending on the type of care you receive and the duration of that care, home care can be as expensive as a facility, or more so. Many times the resources available at the time of a care need will determine where that care is received.

Secondly, control over funding options. If you were incapacitated and did not have additional funding how would you feel if your valuable

collection or vacation home was sold to pay for care?

By insuring part of the risk, you increase the possibility that you will receive the care you want most and will be able to fund it from the proper sources. Living you life the way you want to. Making choices that are right for you and your family. That's what independence is all about.

## **III. Simple Economics**

At an average annual cost of \$60,000-\$70,000 per year for facility care and basic home care running about \$18 per hour, it is a matter of economics. Most pre-retirees and retirees don't have an extra \$5,000-\$6,000 per month laying around to pay for care. If they do, the question becomes - how long could they afford to pay for care? Also realize those costs are for only one person with a care need.

Long-Term Care insurance provides an affordable way to

transfer the enormous cost of care away from your nest egg and to the insurance company. One question to ask yourself – is it worth one percent to protect your life savings from LTC expenses? Good news, most times it doesn't take one percent.

#### **IV. Risk Management Logic**

According to the Society of Actuaries for every 1,000 people; 5 will have a house fire with an average loss of \$3,428, 70 will have an auto accident with an average loss of \$3,000 and 600 will need LTC at an average annual cost of \$50,000-\$80,000 per year.

Long-Term Care insurance is like homeowners and automobile insurance – you hope that you never will need it, but if you do, you will be grateful the coverage is there.

1997 HIPAA legislation made Tax Qualified LTC Insurance premiums tax deductible and the benefits are tax-free. A business owner can provide it for themselves, a spouse, dependents, and exclude every other employee in the company, and still get a 100% tax deduction for doing that as a necessary business expense.

#### **V. Timing**

Long-Term Care Insurance can create additional time. This time can be used to transfer assets into a trust or into a child's name. Assets may not have to be liquidated to fund a care need or they may be stretched out over a greater period of time for the benefit of yourself, spouse or children.

**Long-Term Care Insurance assures you that time with your children and grand children will be quality-time not care-time.**

**Planning Ahead Today,  
Provides  
Peace of Mind for Tomorrow.**

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