



Long Term Care Insurance

What is Long Term Care Insurance?

It is designed to help pay for long-term medical and non-medical services that would otherwise be paid out-of-pocket. Some policies cover nursing home care, while others include coverage for an entire range of services such as care in an adult day care center, assisted living, medical equipment and formal and informal home care.

Long-term care policies pay benefits for you and anyone else you designate, such as your spouse, parent or child. Depending on the policy, it will either pay a fixed amount or reimburse you for services provided.

Do I need Long Term Care Insurance?

Similar to home, health and auto insurance, long-term care insurance is available to help protect you, your family and your assets.

Family members are under pressure to help care for a growing number of elders, and resources to pay for long-term care are declining. When an elderly adult becomes sick and does not have any insurance, the burden to pay for medical care often falls on family—and that cost can be high.

If you or your spouse, parent or child eventually needs long-term care services, the financial burden for the rest of your family may be steep.

How is Long Term Care Insurance different?

Major medical insurance or disability insurance does not protect you and your family in the same way that long-term care insurance can. In fact, health insurance plans generally cover only about 30 days of recuperative time, while a long-term plan may cover two years or more.

Disability insurance, though it replaces your salary at the time of injury, does not cover any ongoing medical care.

Medicare is even more restrictive, and should not be relied on as your sole resource for substantial long-term care expenses. This is because it reimburses only up to a maximum of 100 days—with the average repayment of expenses being only 28 days.

Long-term care insurance helps pay for medical and non-medical services that would otherwise be paid out-of-pocket.

How much does Long Term Care Insurance Cost?

Premiums vary, depending on your age and health status when you purchase the policy and how much coverage you desire. The cost of care, especially in nursing homes and assisted living facilities, varies from state to state.

Generally, it is best to be in good health when purchasing a policy, so it may be better to buy long-term care insurance at a younger age, when you are more likely to be healthier and premiums are lower.

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