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## **Long-Term Care Insurance: Can You Afford Not to Have It?**

Jason DeKuiper, Insurance Advisor

*Jason DeKuiper is an owner and insurance agent at The White Agency. DeKuiper is also a member of Fremont Area Community Foundation's Professional Advisory Board.*

Have you ever thought about what would happen if you need to enter a nursing home or require home care services as you age? This is often an overlooked part of the retirement planning process.

Very high net worth individuals can plan to self-fund the cost of long-term care, although it might not be their best option. On the other hand, people without significant financial assets will need to rely on Medicaid for providing long-term care. In fact, Medicaid and other government programs cover the majority of long-term care costs in the United States.

In between these two groups are the middle class of people who have some and even significant financial assets, but not enough to easily fund \$300,000 or more in long-term care costs late in their life. As nursing care costs continue to rise and the need for care increases, there is never a better time to purchase a long-term care insurance policy.

Consider these facts:

- There are over 75 million baby boomers in the United States.
- Six in ten Americans age 65 or older will need some type of long-term care.
- The median U.S. private room nursing home cost in 2017 was over \$97,000 per year.

Long-term care insurance will ensure your access to long-term assistance in a nursing home, care at home, or adult daycare. A long-term care policy is one of the best ways to protect your financial assets so you can leave your inheritance to your family. Without long-term care insurance, the savings that you worked so hard to accumulate can be wiped out in a matter of years.

These policies can be structured to fit your individual needs. You can choose coverage for nursing care, community care, or home care options. The waiting period before the

benefit starts is a way to affect the premium. The typical waiting periods are 30, 60, or 90 days. You can also choose how long the benefit will last once you use the long-term care coverage. It is important to have a policy where the benefit increases with inflation, because the cost of long-term care is increasing rapidly.

If you are on the fence about what to do for your long-term care, there are some important questions to ask yourself. How likely are you to need long-term care and for how long? What does long-term care insurance cost and what does it cover? Speaking with a retirement professional can help you answer these questions. The best thing that you can do is to start having conversations about your long-term care early and develop a plan so that your health and assets can be protected.