LTCinsurance.com
Your Unbiased Guide To Long Term Care Insurance

Insider's Guide To Long Term Care Insurance

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What Is Long Term Care?

Long Term Care is prescribed care designed to allow a person to maintain their level of functioning despite physical and mental factors that have limited their abilities to care for themselves. It enables someone to maintain his or her present level of functioning, not improve it. This differs from standard medical care where the goal is a cure or better self-management of the condition. Very often it is the provision of continual "hands on" assistance in order to accomplish a number of the **Activities of Daily Living skills (ADLs):** bathing, eating, dressing, toileting, continence, and transferring. Skilled Care and Personal Care are the two most common categories of care.

- **Skilled Care** generally is in response to a medical condition that requires 24-hour a day assistance.
- **Personal Care** helps an individual perform basic ADLs in the facility or home but is less intensive.

An evaluation and determination by a medical professional confirming that there is an inability to perform a number of the ADLs, may lead to the creation of a plan for the implementation of assisted care. This care may take place in a facility, community or the home. Assisted care comes in many different forms and takes place in very different settings. Nursing care in a facility is the most common, but services may also be utilized in one's own home, an assisted care living facility (ACLF) and at adult day care centers in the community.

Who Needs Long Term Care?

Most individuals never really contemplate the possibility that there may come a time when the most basic tasks of daily living become impossible to accomplish. The younger you are the less able you are to identify with this issue. A trip to a nursing home to visit an elderly relative may be the closest you have ever come to experiencing the need for long term care. These experiences vividly bring to light that very often people need extensive care in their elderly years. Whether it is a physical illness, disability or cognitive impairment, your quality of life may depend on the ability to obtain consistent assistance in performing daily tasks that are necessary for living.

Statistically speaking, if you live to the age of 65, there is a 48.6% risk that you will spend some time in a nursing home and a 71.8% risk that you will use home health care.

SOURCE: *Health insurance Association of America, Long-term care: Knowing the Risk, Paying the Price, 1997.*

How Do I Pay For Long Term Care?

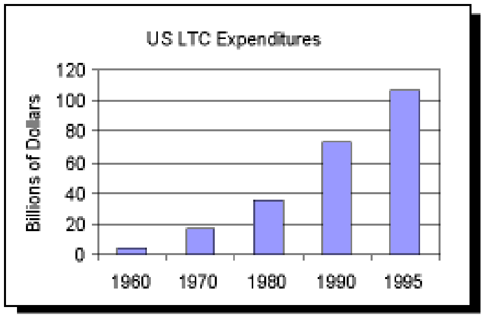
There are three general funding streams available for the provision of assisted care; **Personal Assets**, **Medicaid** or **Long Term Care Insurance**. In almost all cases persons needing assisted care are not income-generating individuals, except for social security benefits. This means that they have a fixed amount of funds with which to purchase something that will have no residual value once it is used. Most elderly people live on negative cash flow. Generally speaking this will work unless huge expenses alter the projected time this can go on.

Long-Term Care Expenditures for the Elderly by Source of Payment, 1995

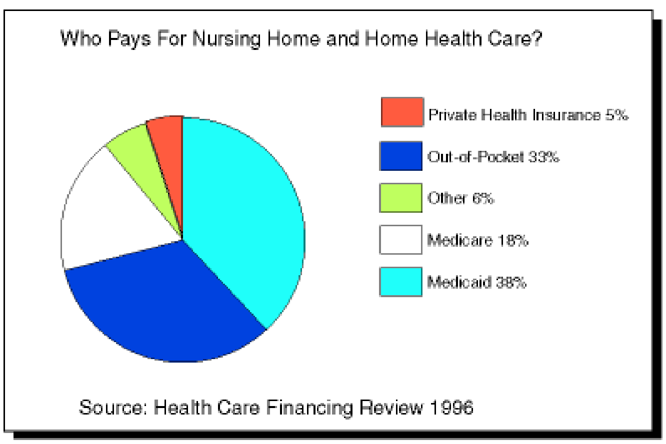
	Nursing Home Care		**Home and Community-Based Care**		**Total**	
	$ (billions)	**Percent**	**$ (billions)**	**Percent**	**$ (billions)**	**Percent**
Medicaid	24.2	38%	4.3	16%	28.5	31%
Medicare	8.4	13%	14.3	54%	22.7	25%
Other Federal	0.7	1%	1.7	6%	2.4	3%
Other State and Local	0.6	1%	0.5	2%	1.1	1%
Out-of-Pocket Payments	30.0	47%	5.5	21%	35.5	39%
Private Insurance	0.4	1%	0.3	1%	0.7	1%
Total	64.4	100%	26.5	100%	90.9	100%

SOURCE: U.S. House, Committee on Ways and Means, ***1998 Green Book: Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means***, Washington, 1998, p. 1059, based on estimates from the Lewin Group for the Office of the Assistant Secretary for Planning and Evaluation.

Personal Assets Personal assets account for 51% of all assisted care expenditures. This could be through savings accounts, investments or the sale of a home.



Medicaid Medicaid accounts for 41% of expenditures on assisted care. Most individuals think of Medicaid as insurance available for elderly folks. This is a problematic misconception. Traditionally speaking insurance policies are there to protect you and your family from catastrophic occurrences that have the capacity for financial hardship. Medicaid does not protect anything that you own. In order to qualify for Medicaid you have to be at a level of financial hardship. Whatever material wealth a person has accumulated must be gone in order for government programs to become active payers for any type of assisted care. Medicaid is a payer of last resort and is geared more toward institutional settings.



What is LTC insurance?

Long Term Care Insurance (LTC insurance) is a product specifically designed to pay for assisted care should the need arise. Fundamentally speaking it is asset protection for what we all hope to avoid, but know may very well occur. Originally marketed in the 1980's for nursing home care, it has evolved to cover many more services. With the rise in demand for home and community-based care, LTC insurance policies have adapted to provide coverage for these services as well.

Is LTC Insurance For Me?

LTC Insurance is not for everyone. Primarily, LTC insurance is for the payment of long term care with the protection of assets in mind. Below are some basic questions you should ask yourself concerning the appropriateness of this type of insurance.

QUESTION	RESPONSE	
Do I have assets I wish to protect?	**No**	The cost probably would not be justified.
	Yes	LTC would provide asset protection.
Can I afford the premiums?	**No**	You should not sacrifice basic necessities.
	Yes	This expense is not a financial hardship.
Do I want to avoid depending on family?	**No**	Family dependence is a viable option.
	Yes	Family dependence is not an option.

It is important to gauge your desire to protect financial assets with your ability to afford premiums. If there are no assets to protect, LTC insurance is probably not in your best interest. Another issue to consider is ability to pay premiums. Most policies will not reimburse all monies paid for premiums if you wish to quit the policy. Therefore the decision to purchase LTC insurance should be carefully thought through.

Are There Different Kinds of Policies?

There are several major categories of LTC insurance policies available today. Each one should be studied carefully and the benefits weighed against the cost.

An initial question that should be addressed is whether the policy is "Tax Qualified" or "Non-Tax Qualified."

Tax Qualified

A **tax qualified policy** typically displays the following features:

- Premiums are treated as an annual medical expense for deduction purposes against your income.
- Benefits from the policy are not treated as income from a tax perspective.
- Federal guidelines define an inability to perform 2 of 6 ADL's as the benefit triggers.
- "Medical Necessity" cannot be used as a "Benefit Trigger."
- Your disability must be of duration of at least 90 days.
- Cognitive impairment must require supervision.
- The policy is guaranteed renewable.
- The policy does not have a cash surrender value.

Non-Tax Qualified

A **non-tax qualified policy** typically displays these features:

- Premiums are not deductible in any fashion.
- While the tax treatment is unclear, it is possible benefits may be treated as income from a tax perspective during a claim period.
- These polices have benefit triggers other than an inability to perform 2 of 6 ADL's.
- A "Medical Necessity" can be offered as a "Benefit Trigger."
- A policy is not required to have an expectation that the disability will be of 90-day duration.
- Cognitive impairments do not require substantial supervision.
- The policy may have a cash surrender value.

Location of Care

An important aspect of a policy is where the policy will pay for services. Certain policies will only offer coverage for facility-based services such as in a nursing home. There are policies that will only pay for care in the home. This should be clearly identified.

Comprehensive Policy

A **comprehensive** policy will pay for assisted care in the home as well as in a facility. Often individuals in need of care will begin with assistance in the home to remain independent as long as possible. Over time, when assistance is no longer adequate, a placement in a facility may be required. The policy and coverage would follow the individual.

Facility-Only Policy

A **facility-only** policy will only pay out upon having to enter a facility such as a nursing home. There is no benefit for in-home, or community-based care. If you are a single person, with little family support, this may provide the most cost effective LTC insurance.

Home Care-Only Policy

A **home care-only** policy will only pay for assisted care services in the home. You should use caution with this type of policy. All types of policies pay what is called a, “Daily Benefit.” This benefit is a set amount that will be paid out to reimburse providers for assisted care. If your situation deteriorates and you are faced with requiring 24-hour per day assistance, this type of policy may only pay a fraction of the cost of around the clock in-home care.

Claims Payment Options

Another important category of LTC insurance is how the benefits are paid to the insured. Here there are two broad types, the "indemnity" policy, and the "expense-incurred" policy.

True Indemnity Policy

With a **true indemnity** policy your insurer will pay a lump sum of funds upon the determination of the need for Long Term Care. This type of policy does not consider the type of needed services and who will provide them. The money is paid directly to the insured to be used by them to cover care expenses.

Conditional Indemnity Policy

A **conditional indemnity** policy pays claims similar to the true indemnity policy, but it includes certain conditions which must be met, i.e. care must be provided by a licensed professional.

Expense-Incurred Policy

With the **expense-incurred** policy your insurer will determine if the impairment warrants services and if the providers of the service are eligible for reimbursement according to your policy. Going forward the insurer will pay directly to the care provider on a weekly or monthly basis for expenses incurred. These services will be reviewed by a representative of the insurer for appropriateness on a periodic basis. This is the predominant type of policy.

Inflation Adjustments

Another consideration when viewing a policy is whether or not you wish for the benefit being paid out to reflect inflation. There are three categories concerning inflation. Each type is discussed below.

No Inflation Factor

The first type of policy will not factor in inflation when it comes time to pay benefits. It pays a pre-determined benefit as stated on the policy purchase date. For example, you may decide on a benefit of $120.00/day for nursing home care upon purchasing the policy. Whether care is needed now or ten years from now, the benefit paid out will be $120.00/day.

Simple Inflation Factor

Another option would be to purchase a policy with inflation protection. In a simple inflation policy the original benefit is multiplied by the **inflation factor**, say 5% each year , giving you a new daily benefit. For example, a $120.00 daily benefit that increases by a “simple” 5% per year will provide a $180.00 daily benefit after ten years.

Compound Inflation Factor

In a **compound inflation** policy, each year the amount derived from multiplying the percent of inflation is carried over to the next and multiplied again. This makes for a substantial difference in benefit, especially if the policy is purchased well before accessing the benefits. A compound policy that provides a $120.00 daily benefit, increased 5% per year will pay $195.47 per day in ten years.

The most common inflation factor used is 5%. It is important to note the inflation factor because of the way in which health care costs have outpaced common economic inflation indexes.

Inflation Adjustments, Continued

You should contemplate whether or not you wish to have inflation factored into your policy. Typically premiums for a compounded policy may be triple the cost of a policy with no inflation protection. However, the cost of health care, and in particular long-term care, has risen dramatically in the past 10 years. Nursing home costs have risen an average of eight percent per year for the past several years. For comparison, the yearly premium for a 65-year old with a $100.00 daily benefit might be $850.00. With a compound inflation rider that same policy might be $2,500.00. Although this seems extremely dramatic, consider that the cost of daily care in an average nursing home has risen $52.00/day in the last five years. This would make for an annual cost of $40,150.00 in 1995 and an annual cost of $59,130 in 2000, a difference of $18,980.00 for one year of care. Without an inflation factor in your policy, you would be responsible to pay that difference out of pocket.

Where Can I Purchase a LTC Insurance Policy?

There are many sources from which people purchase LTC insurance. The general areas are listed below.

- **Individual policies purchased from an insurance agent.**

  This is the most common source of policies. This agent may be an independent broker capable of selling policies for many companies or an agent that strictly sells products for one company.

- **Group policies offered through involvement in a private association.**

  This may be a group offering to an association that you may belong to, typically non-profit associations that have a connection to retired individuals.

- **Group policies offered to persons living in a retirement complex.**

  Often facilities that offer housing and supportive services to retirees will look for this type of insurance, and have an arrangement with an insurer to provide it. This will ensure ability to pay as you get older and require a higher level of care.

- **Pooled Benefit policies that allow the sharing of a LTC insurance policy by partners.**

  Many policies offer the ability for multiple individuals, typically a husband and wife, to share in the same pool of coverage available. For example, if there is a total benefit of $100,000.00 available and one partner uses $5,000.00 in coverage there will be $95,000.00 available for either.

- **Group policies offered by your employer.**

  This is a policy that may be purchased through an employer who offers this benefit to all employees. Typically these policies are offered on a guarantee issue basis, but often do not have a wide range of flexibility concerning benefits and coverage.

What Kinds of Services Can I Receive?

When deciding on a LTC insurance policy it is critical to know what types of services it will cover and what types of facilities are eligible to provide those services. Often the policy will state whether a licensed facility or company must provide certain services.

Below is a list of services commonly needed by individuals requiring LTC.

Service Type	Description
Nursing Home Care	24-hour per day care and supervision in a residential setting.
Home Health Care	Services provided in the home for physical, cognitive or medical needs.
Personal Care in Your Home	The provision of household services in the home such as bathing or eating.
Services in Assisted Living Facilities	Personal care and health services for assistance with ADL's in a residential living arrangement.
Services in Adult Day Care Centers	Daily care at a senior or community center (non-residential).

The following table lists common agencies and facilities that provide care.

Agency/Facility Type	Description
State Licensed Facilities	Residential or community-based program that is licensed by that state to meet certain standards of care.
Licensed Nursing Facilities	Residential setting that provides medical care by licensed practitioners and is licensed by the state.
Homes for the Aged	Rest homes that provide meals and other supportive services, generally not a licensed facility.
Home Health Care Agencies	Companies which provide services in the home. Some may be licensed by that state and some may not. Some may be able to provide medical care such as a licensed nurse.

What Kinds of Services Can I Receive?, Continued

It is critical that you compare the type of services available in your area with the types of services that the LTC policy will cover. Do not assume that a nearby facility will automatically be acceptable. It may not be. Also, there has been an increase in the need for in-home provided services. Many elderly people that have encountered difficulty with some ADL's prefer to be able to stay in their own home. This is often possible with the proper amount of support. However, it must be determined if that support, by the available providers, will meet the restrictions of the policy.

How Much Coverage Do I Need?

Daily Benefit

The total amount of benefits received by a policy holder will be directly related to the premium level. Benefits are typically limited to a maximum amount per day, and for a specific number of days which create a pool of money when multiplied together.

A typical policy might be defined as $150.00/day of nursing home care for 2 years. These two factors can be larger with a direct relation to a higher premium. For example, you may wish to raise the daily benefit to $200.00/day for a maximum of 3 years.

Nursing Home Care

Typical nursing home care may cost $175.00/day while your coverage only provides $150.00/day. This shortfall is typical, as the amount of the daily benefit will tie directly to your premiums. However, you should research how much nursing facilities typically cost in your area. It is common to go into a facility, with LTC insurance, and still face a shortfall. It is extremely important to know this up front, prior to entering into a policy.

Home Health Care

If you eventually need to receive care in your home, the typical policy states what percentage of the "Daily Benefit" would be paid for that service. Do not assume that home care will be paid at the "Daily Benefit" rate, which is typically tied to nursing home care. Often with home care there is a "Weekly Benefit" that is calculated from a percentage of the daily benefit. A weekly, can provide needed flexibility when one needs professional care less than 7 days/week (a policy allowing for $100/day home health care would allow for $700/week). If the insured only needs care 4 days/week, he or she would receive $175/day rather than the $100 daily benefit. Also, there are much higher costs when 24-hour home health care is a requirement.

It is very important to find out how much these types of services cost in your area as they vary a great deal by geographic location. In addition, it is important to factor how much of an annual premium you can afford.

When Do Benefits Start?

Benefit Triggers

The policy will state conditions that must be met in order for the policy to begin to pay a claim. This does not mean that payment for services will immediately begin, but rather that the process for initiating the payment of a claim. These are called, "Benefit Triggers" and will be defined in the policy.

The most common determination is the inability to perform a certain number of **Activities of Daily Living (ADL)** Skills: bathing, continence, dressing, eating, toileting and transferring. Obviously the more ADL's that the policy states you must need assistance with, the more difficult it will be to trigger the benefit process. Most tax-qualified polices require that you will need assistance with 2 of the 6 ADL's to trigger benefits. However, some policies may call for more.

Medical Necessity Trigger

For non-tax qualified policies, in addition to ADL triggers, you may access claim benefits via a "Medical Necessity" trigger when a licensed physician prescribes long term care services to be received, such as care in a nursing facility for a chronic medical condition. It should be clearly defined in the policy which doctor must order this service. A policy that will allow your doctor, as opposed to a doctor mandated by the insurance company, would obviously be preferable. This is not applicable for tax-qualified policies as this cannot be used as benefit trigger.

It is also important to understand the policy definition of being unable to perform a certain ADLs. Some policies will only pay if “hands-on” assistance is required in order for the performance of a certain skill, while others may only call for “stand-by assistance.” Always clearly understand what the “Benefit Triggers” are and how they are defined before purchasing a policy.

Elimination Period

All policies will have an “Elimination Period,” which is the number of days that an insured will have to pay out of pocket for services prior to the insurer covering those expenses. This is similar to a deductible on your automobile insurance policy. Often this period will be defined as, 20, 30, 40, or 100 days of assisted care. As an example, if a nursing home costs $150.00/day and you had an elimination period in your policy of 30 days, your policy would not pay for services for the first 30 days, and you would need to cover that $4,500.00 cost yourself.

The elimination period will have a profound effect on your premiums. The shorter the elimination period, the higher your premium. The determination that services are needed does not constitute the beginning of payment. Services will have to be needed, as defined in the policy, and received for the duration of the elimination period, before coverage begins.

You should determine how the elimination period would be calculated. Will it be an accumulation of days, or does the total number of days need to met for each occurrence?

For example, if your elimination period is 30 days, but you only need to stay in a nursing facility for 25 days, will the next stay in the home only require 5 days before services will be paid by the insurer, or does the 30-day period start over again. This is an important facet of the policy and it can vary a great deal from company to company.

Restoration of Benefits

"Restoration of Benefits" is a payment option that can be opted for in order to keep your maximum benefit in tact if you should go into a nursing home and come out. If that stay in the nursing home incurs $10,000.00 in paid benefits, that amount is deducted from your total lifetime benefit. However, you may be able restore the entire amount, if you have this feature, and do not return to the nursing home for a set amount of time.

Premium Refund at Death

"Premium Refund at Death" is another payment option that must be stated in your policy. It will return to your estate any unused portion of the paid premiums minus paid out benefits.

How Long Do I Pay Premiums?

Waiver of Premium

As long as you are not receiving care you must continue to pay your premiums. However, certain types of policies will allow you to stop paying your premium if you are receiving care. This waiver of premium may, or may not, start upon entering the facility or after the elimination period. This is something that should be clearly understood. Are the premiums waived upon receiving care in home or in a facility, and if it is waived is it before or after the elimination period?

What if I Can't Afford My Premiums?

Non-Forfeiture Benefits

Policies differ greatly regarding what will happen if you cannot continue to pay your premiums. You should inquire about this fact prior to committing to a policy. This "Non-Forfeiture Benefits" clause will increase your premiums, but may offer some comfort to you in the event that you are unable to continue. It is quite possible that even after an extended period of time of paying premiums, a lapse on your part, will result in the cancellation of the policy without the refund of any paid monies.

How Much Does LTC Insurance Cost?

There are many factors involved in the cost of a LTC insurance policy. As noted in the previous section, the daily benefit amount, elimination days, total policy benefit (generally the daily benefit amount multiplied by the total number of benefit days, often described in years, yields the total benefit) and other factors such as age and health will weigh in on the annual premium. A healthy 65-year old who purchases a policy with inflation protection could expect to pay approximately $2,000.00 per year. The older you are the higher premium you pay. The same person at 75 might expect to pay $5,000.00 per year for the same coverage.

Below are some other financial considerations.

Pre-existing Conditions

Pre-existing conditions are a common topic and concern for people looking for this type of coverage. Long term care insurers "underwrite" their coverage meaning they weigh many factors specific to you before deciding to write you a policy and for how much. Pre-existing conditions do not necessarily exclude you from coverage and often there is simply a waiting period before receiving benefits.

Stability of Rates

All insurance companies have the power to raise rates if they do so for a class of policyholders in a given state with regulatory approval. However insurance carriers may not raise premiums for a given an individual. Given that possibility, you should be sure that whatever premium you feel comfortable with now will still be within your means in several years. Also, factor in the possibility that the rate may rise, thus you should provide for a safety margin.

How Do I Shop for a LTC Insurance Policy?

Products that people purchase all tend to have general sales cycles. A new home might come around every fifteen years, a car five years, consumables on a weekly basis. The more often a consumer purchases a product or service, they are able to rely on previous experiences and brand familiarity to help educate the buying decision. A purchase like a LTC policy is particularly difficult because in most cases it will be a one-time major purchase. The policies are complex and the true knowledge that a good one was bought will not be realized until many years after the ink is dry on the contract.

In shopping for the best policy it is essential to understand that the seller of this product will always be more knowledgeable about it than you. Of course, they're in the LTC insurance business and you are not. Consequently, education and comparative shopping will be your best safeguard for a sound buying decision.

Make sure that you get quotes from several companies and that you compare apples to apples. Determine what the best type of policy is for you. Stick with one daily benefit rate, elimination period, waiver of premium, and so forth in order to accurately compare policies. Also, consider that not only are you comparing policies, but insurance carriers as well. This is an important issue in that LTC insurance policies are relatively new.

How Do I Shop for a LTC Insurance Policy?, Continued

As you go forward in your determination of what policy to buy and from whom, the goal is to continually narrow your options. This will eventually lead you to the right one for you. **Never** commit to a policy when the seller calls you. Always indicate that you need time to consider the proposal and then call back. This will allow extra time for your decision-making process and if you call them, it shows that this is the policy you want.

Below are some facets of LTC Insurance policies that you should note and rate as you go forward in your comparison.

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1. Financial Quality of The Company:

A critical element to consider is the **financial soundness** of a company. LTC is a young industry when compared to automobile or even health insurance. There is not a long history of experience for the actuarial implications of having to pay out for coverage. As more people purchase these policies, coupled with increasing life expectancy, asset reserve will become critical. Everyone is well familiar with the demographics of the baby boom generation. There will come a time in this industry when significant payment of benefits will occur. Given the relative age of this industry it is not possible to predict with certainty how this will affect the overall financial strength of insurers. With this in mind, it is paramount to note the financial rating and reserves of a prospective insurer. Do not be afraid to ask, and check the financial rating for each company you consider.

1. Financial Quality of The Company - Continued

The table below shows some of the prominent rating services:

Rating Service	Phone Number
A.M. Best Company	(900) 420 – 0400
Duff & Phelps, Inc.	(312) 368 – 3157
Fitch Investors Service, Inc.	(212) 908 – 0500
Moody’s Investor Service	(212) 553 – 1653
Standard & Poor’s	(212) 208 – 1527
Weiss Research, Inc.	(800) 289 – 9222

2. Years of LTC Insurance Experience:

How long a company has been selling LTC insurance is a telling factor in the stability of a carrier. Upstart companies may find the industry non-profitable or not in keeping with their core business and could close that division or sell it. This is not a comforting factor to those holding policies especially if advanced in age and have trouble finding another carrier for insurance.

3. Claims Department Effectiveness: Always inquire about the claims process. Very often individuals will focus on cost, elimination days and other monetary factors of a policy. However, the critical effectiveness of a good policy will be the claims process, i.e. what was it like trying to get the benefits paid out. Several fundamental questions should be asked:

- How does the claims process work?
- Who certifies the lack of ability to perform the ADL's?
- Is there a, "Care Coordinator" that will continually be the gatekeeper for the provision of services?
- What percentage of claims submitted are approved?

These are all factors that have a tremendous impact on the very reason you are purchasing such a policy. The quick provision of assisted services needed when you can no longer perform all of your essential daily functions. You should ask the prospective carrier to specifically outline the claims process starting with your initial call and then walking you through the entire process resulting in a paid service. Also ask if there is anything about their claims process that is unique from the other companies you are getting quotes from.

4. Premium Stability: As discussed earlier, all companies have the ability to raise rates in a certain geographic area with regulatory approval. This presents a difficult reality of LTC insurance; that after you have agreed to a policy at a certain price, those rates can be raised presenting you with a financial dilemma. Can I continue to afford my premiums?

Always inquire, and investigate the history of rate increases for that company.

5. Market Share: Generally speaking the larger players in this market are more invested in the industry than smaller ones. Companies that command the lion's share of the business are established and have shown a real commitment for the long haul. It indicates they have a tremendous financial stake invested and have committed to establishing themselves as a leader. Companies that command very small market share tend to try and increase their share through the offering of low rates. However, these low rates should be weighed against the potential for future rate increases as the specter of non-profitability arises and the possibility that the company could decide to just get out of the business altogether. Always investigate the percent of the overall market share a particular company holds.

6. Benefit Triggers: Benefit triggers will be a significant factor in a policy that is right for you. Always try and consistently compare such things as Elimination Days, Waiver of Premium, Reimbursement or Indemnity, Cognitive Impairment, Mental Illness and who determines the ability to perform ADL's.

7. Home Care Flexibility:

Many shoppers for LTC protection will feel strongly about the ability to stay in their own homes as long as possible. This has been an increasing trend as individuals live longer and services have evolved that cater to the desire to live in familiar surroundings. Several questions should be raised here to avoid disappointment in the future.

- What types of Home Care Agencies will the policy reimburse for?
- Does the policy provide for any structural modifications needed in the home?
- How much of the daily benefit will the policy pay towards home care?
- Can you receive an entire weekly benefit for two or three days of in home care?

In-home care calculated by the hour, is more expensive than facility-based care. This is often overlooked, as the assumption often is that home care will be cheaper than a nursing home.

8. Benefit Selection Options:

All policies will have a host of benefit options that can be chosen for a price. Weigh the cost of these against how appealing they may be for your particular situation. Carefully consider, Inflation options, Benefit length, Spousal discounts, Daily Benefit amount and other aspects that can tailor your policy to your needs and budget.

9. Policy Language: Always read the entire formal policy before entering into the agreement. Things that were verbally discussed may appear quite different in a formal contract. Determine if the policy is easy to read and understand, does it accurately reflect, in understandable terms, the items that you have identified you want. Does the policy clearly state what customer services are available if you need to call.

10. Unique Features: As you go forward in comparing policies always try and identify any features that make one carrier stand out from another. Ask the agent if there are any unique features about this company and their LTC insurance policies.

