LIFESECURE INSURANCE COMPANY

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# Long Term Care Insurance

*Educational Overview*



ICC17-LS-LTC-0300
LS-LTC-0300 ST

Policy Form Series: ICC17-LS-LTC-0006
LS-LTC-0006



# What is Long Term Care (LTC)?

Long term care is the assistance a person may need with the basic activities of daily living – eating, bathing, dressing, transferring, toileting, and continence. It can also include supervision needed to protect a person's health and safety. The need for long term care may develop from things such as an accident, illness, stroke, advanced age or other chronic condition such as Alzheimer's, dementia or Parkinson's disease. Long term care consists mainly of personal care rather than medical care, which is typically covered by a health plan.

## Long Term Care can be provided…

- In your own home
- At an adult day care center
- In an assisted living facility or nursing home



## Long Term Care vs. Medical Insurance

**FOCUS ON CARE**



### Long Term Care Insurance

**Typically covers:**

- Custodial care when recovery is unlikely
- Home care and assistance with daily tasks such as eating, bathing and dressing
- Visits to an adult day care center to provide respite care for caregivers

**FOCUS ON CURE**



### Medical Insurance

**Typically covers:**

- Doctor visits, tests and initial diagnosis
- Specialty visits, labs, hospitalization
- Skilled Nursing, Rehab, Occupational Therapy, Physical Therapy
- Medications

# It's important to plan ahead

What would happen if you were suddenly unable to perform simple activities that most of us take for granted every day – such as eating, dressing and bathing? Or if you required supervision as the result of a cognitive decline? Who would provide your care, and where would you live? And most importantly, could you afford to pay for it?

Many people require some amount of long term care services as they age. But a serious illness, disability or accident could also cause someone much younger to need long term care as well. Planning for the potential cost of long term care is something that everyone should consider.

LifeSecure can be there to help cover the cost of the care you may need. While it's difficult for healthy adults to think about needing such care, the potential risk is real.

Without a long term care insurance plan in place, your care options may be limited and potential expenses could result in significant out-of-pocket costs – affecting your savings and assets. Long term care insurance was designed to provide an alternative solution.  And LifeSecure can make it simpler and more affordable than you might think.

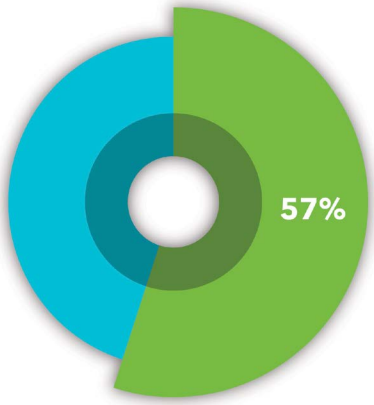
## Will you need long term care?

Your chances may be more likely than you think. About 6 million Americans age 65+ require help with at least two activities of daily living for ninety days or more, or have a severe cognitive impairment.[1]

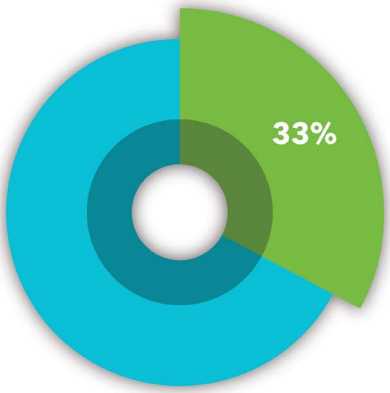
[1] *Health Affairs, Financing Long-Term Services and Supports: Options Reflect Trade-Offs For Older Americans and Federal Spending, November 2015*



# Most people aren't planning ahead




- More than half of Americans say they need LTC insurance, but only 14% have a policy....[2]



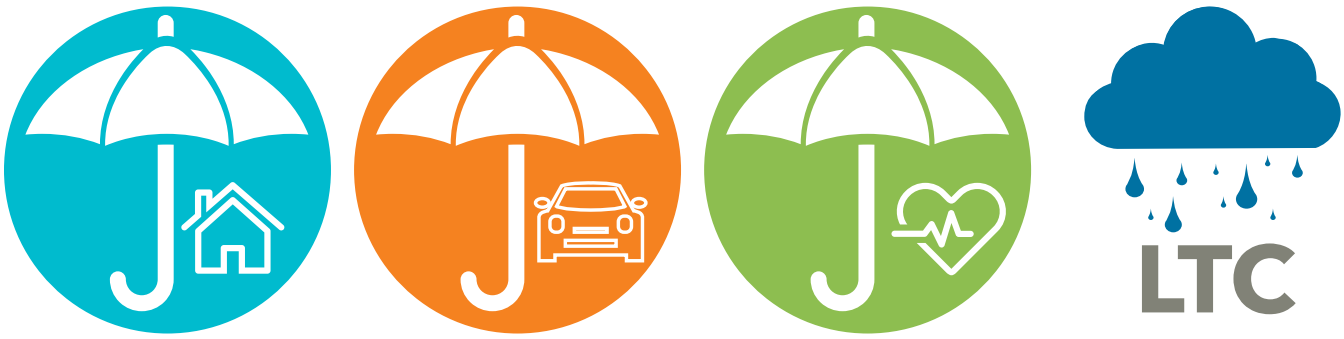

- ... and only 1/3 of Americans over 40 have set aside money to plan for LTC needs [3]

## Planning for long term care might be easier than you think

You protect your home, your car and your health. But what about your savings and retirement?

Many of us strive for financial security and plan for a comfortable retirement. But what if you could no longer take care of yourself? Relying on a relative or a friend for caregiving is certainly an option – especially for short periods of time. But if you needed personal care for weeks, months, or even years, it could be expensive for you and your family.

Your financial plan was likely designed to help you save for years of retirement. To help protect your savings, consider how you might pay for long term care services should the need arise for you or your spouse/partner.




[2] *LIMRA and Life Happens. 2017 Insurance Barometer Study. Windsor, CT.*
[3] *Associated Press-NORC Center for Public Affairs Research. Long-Term Care in America: Expectations and Preferences for Care and Caregiving. Chicago, IL. 2016*

### How much could long term care cost?

| Type of Care | National Median Rates[4] | Average Annual Costs[4] |
|---|---|---|
| Home Care | $22 (per hour) | $45,760 based on 40 hrs/week |
| Assisted Living Facility | $3,750 (monthly) | $45,000 |
| Nursing Facility (private room) | $267 (daily) | $97,455 |

[4] *Genworth Cost of Care Survey 2017.*

In many instances, families without long term care insurance may have to resort to withdrawing money from their savings and other retirement investments to pay for these types of services when a loved one needs care.

# Paying for Long Term Care

LTC services are not typically covered by medical insurance plans.

Medicare may help pay for limited LTC services under certain circumstances, but often doesn't meet long term care needs. Medicaid has specific rules and income requirements that can require recipients to spend down their savings and assets to meet state poverty guidelines.

Some people rely on care from family and friends, but it can impact the financial, physical and emotional health of entire families.

While an option for some, saving and paying for long term care out of your own pocket can be very difficult for most families. Just a few years of long term care could potentially deplete a lifetime a savings.

Planning with long term care insurance can help protect your finances, provide peace of mind, and let you decide where care would be received.



# How much coverage is enough?

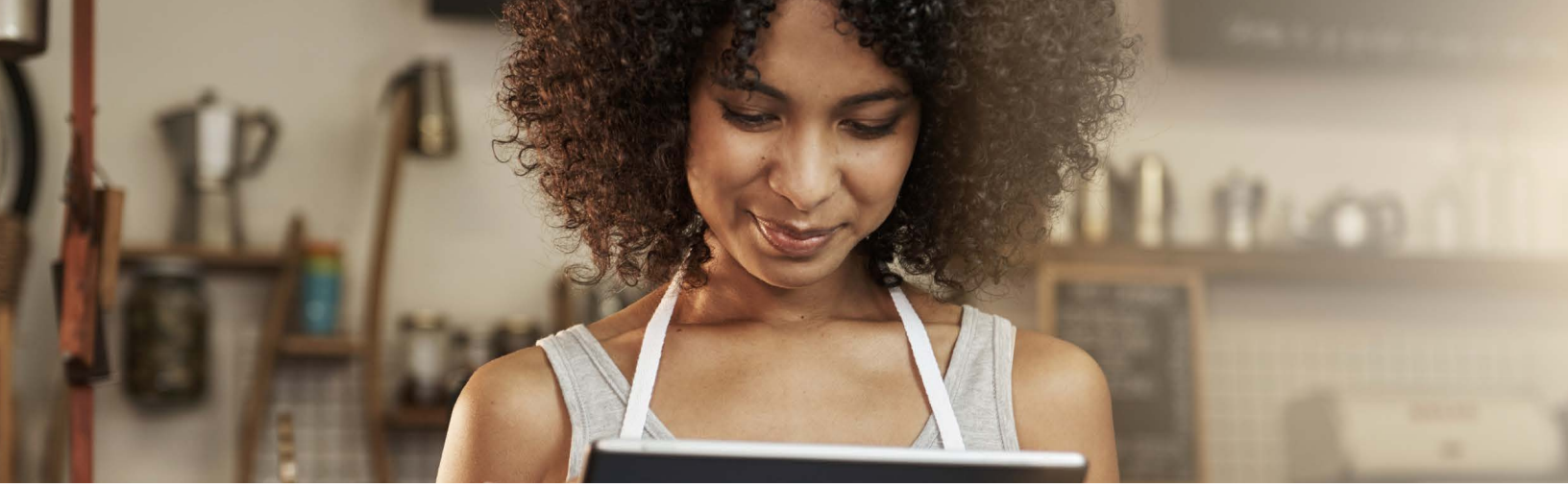
## It depends.

These factors can help you determine the right of coverage for your unique situation.

| | |
|---|---|
| Your gender | On average, women are more likely to require long term care services than men (at age 65).[5] |
| Your family health history | You may be at an increased risk for a chronic condition such as Alzheimer's disease, cancer, diabetes or stroke if a close family member has had one or more of these conditions. |
| Your budget | Select a plan design with a premium that fits within your current budget. It's a good idea to apply for coverage now while you are younger and likely healthier. |
| Where you plan to retire | The cost of long term care services can vary greatly depending on where you live. |
| Where you wish to receive care, if needed | Long term care costs vary based on where services are received (at home, in the community, at an assisted living facility, or at a nursing home). |



[5] *HHS Office of the Assistant Secretary for Planning and Evaluation Office of Disability, Aging and Long-Term Care Policy. ASPE Issue Brief. Long-Term Services and Supports for Older Americans: Risks and Financing. Washington, D.C. 20201. Revised February 2016.*



# When should you buy LTC insurance?

Some people wait to apply for long term care insurance, believing they will actually save money by paying a higher premium rate for fewer years of coverage versus purchasing a policy at their current age, paying a lower premium rate for a longer period of time. **Waiting to purchase a long term care insurance policy could actually increase the total amount of premium you would pay by thousands of dollars.**

| Age at Purchase | Annual Premium* | Paid to Age 85 | Cost of Waiting |
|---|---|---|---|
| 30 | $351 | $19,305 | N/A |
| 40 | $482 | $21,690 | $2,385 |
| 50 | $698 | $24,430 | $2,740 |
| 60 | $1,162 | $29,050 | $4,620 |

* The annual premium shown is based on a Benefit Bank of $100,000 and a $2,000 Monthly Benefit, for a single person.

Premiums are for illustrative purposes only and may vary based on state and applicable discounts. Illustration above assumes policyholder begins a claim at age 85.

# Keep your options open

## Why consider a Long Term Care Insurance Plan from LifeSecure?

We provide a different kind of insurance experience. LifeSecure offers:

- **a SIMPLE, flexible LTC solution** – Everyone's care needs are unique and we want you to decide which care option is best for you and your family. Our plan design offers flexibility by providing coverage for a broad range of providers and services.
- **an EASY to understand product design** – Unlike other long term care insurance products, LifeSecure uses a simple Benefit Bank℠ design, with few riders. We remove the confusion, making it easier to choose the coverage you want.
- **an AFFORDABLE option to help you protect savings and assets** – If you thought long term care insurance was out of reach – think again. We give you the power to select your coverage level and premium based on your perceived needs and personal budget.

# About LifeSecure

LifeSecure Insurance Company was founded in 2006 as a Michigan-based insurance company, which quickly expanded to a national presence. LifeSecure is dedicated to providing a different kind of insurance experience to help create a better future for our customers.

We are proud to offer a long term care insurance product that continues our tradition of simplicity and flexibility. Our straightforward Benefit Bank design and optional benefits help individuals and families find the right amount of coverage to meet their own personal needs!

**For more information, visit us at YourLifeSecure.com**

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