

A SPECIAL PLANNING GUIDE
FOR KIPLINGER'S PERSONAL FINANCE READERS

Your Guide To Long-Term Care Planning

WHERE

can I get long term care services?

WHEN

should I buy LTC insurance?

HOW

can I fit LTC insurance into my budget?

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American Association for Long-Term Care Insurance

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Long-Term Care Planning Is Important

You plan, you save and you invest to create a financially secure tomorrow.

Needing long-term care can impact your loved ones, your assets and your retirement.

Are you prepared with a plan to address a long term care need that lasts for several months or for many years? This guide from the American Association for Long-Term Care Insurance shares timely information to help you **plan today for an uncertain future.**

GOOD TO KNOW



Most Long-Term Care Is Home Care

No other place will ever seem like your home so it's understandable why people prefer to remain in their own home even when long-term care is needed.

Today's long-term care insurance (LTCi) policies can pay for needed care in your own home.



The LTC Planning 'Sweet Spot'

In tennis, hitting the racket's 'sweet spot' results in the most powerful hit. The long-term care planning sweet spot is when individuals have the most options and can obtain less expensive insurance.

Your 50s and 60s are the sweet spot for purchasing long-term care insurance protection. Long-term care insurance is generally less expensive the younger and healthier you are.



THE BEST REASON TO PLAN NOW

"Without long-term care insurance, everything you worked and saved for is exposed.

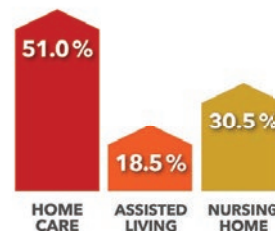
You'll never be younger or likely healthier than you are today, which makes now the best time to plan."

Jesse Slome, Director

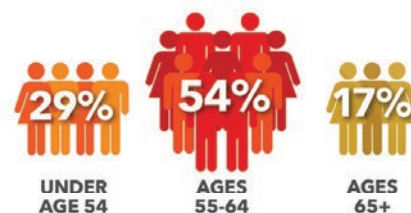
American Association for Long-Term Care Insurance

LONG-TERM CARE INSURANCE PAYS FOR HOME CARE *

Most new long-term care insurance claims begin at home.



MOST INDIVIDUALS APPLY BETWEEN AGES 55 AND 64 **



American Association
for Long-Term Care Insurance™

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For more information, go to the

ONLINE CONSUMER INFORMATION CENTER
American Association for Long-Term Care Insurance

www.AALTCI.org

* New long-term care insurance claims opened (2012).
Source: 2014 LTC Sourcebook, AALTCI.

**New long-term care insurance sales by issue age (2012).
Source: 2014 LTC Sourcebook, AALTCI.

continued...

Long-Term Care Planning (continued)

BETTER APPROACHES WORTH CONSIDERING



Some Coverage Is Better Than None

Buying a "smaller" long-term care insurance (LTCi) or linked benefit policy that's designed to cover a portion of your potential future long-term care costs can provide significant protection for less cost than you might think.

THE **GOOD** - **BETTER** - **BEST** APPROACH TO LONG-TERM CARE INSURANCE PROTECTION

GOOD



A fixed amount of benefit protection. Your most affordable approach locks in your good health and insurability today and provides a set amount of benefit dollars, if needed.

BETTER



Coverage with benefit increase options. Today, insurers offer many options that increase future benefit amounts but can be less costly to you at inception.

BEST



Annual 3% benefit growth. Preferred by many who purchase coverage today, policies with 3% annual compound growth are worth comparing and considering.

LONG-TERM CARE INSURANCE BUYERS

75%
of people select
3-5 year
benefit periods*



* New long-term care insurance sales by issue age (in 2012).
Source: 2014 LTC Sourcebook, AALTCI.

WHO BENEFITS FROM LONG-TERM CARE INSURANCE?

FROM AALTCI'S 2014 ANNUAL REPORT:

- **The nation's long-term care insurance companies paid \$20.5 million in claim benefits per day in 2013**
- **\$7.5 billion paid in claims nationally in 2013**
- **273,000 claimants opened an LTC claim in 2013**
- **\$1.8 million** (largest claim, cumulative paid, female)
- **\$1.3 million** (largest claim, cumulative paid, male)

Source: AALTCI studies of claims paid in 2013, February 4, 2014.

LTC PLANNING GUIDES

Read the five guides from prior issues of *Kiplinger's Personal Finance* magazine; available now online:



www.aaltci.org/guides



BEST NEXT STEPS

NOW is the best time to get the information you need to start planning. Speak with your insurance or financial professional who can compare plan options, benefits and costs.

- ★ **FIND OUT HOW MUCH COVERAGE COSTS**
- ★ **ASK WHAT DISCOUNTS YOU MAY BE ELIGIBLE TO RECEIVE**
- ★ **DETERMINE IF YOU CAN HEALTH QUALIFY**

There is never a cost or obligation when you request this information.

continued...

Long-Term Care Power Planning Strategies

AFFORDABLE FINANCIAL LEVERAGE



Owning Some Long-Term Care Insurance

provides financial leverage in terms of benefits you are able to access. Adding a nominal inflation growth factor provides even greater potential benefits at older ages when you are more likely to need long term care. Today's policies offer numerous future benefit growth options. Your advantage: greater flexibility and affordability.



*AALTCI average price computations (August 2014). Rates vary by insurer and subject to change. Preferred/select health rates. Future growth based on 2% compound annual growth.

3-year benefit
x \$150 per day.



HOME CARE ACCESS



To Remain At Home When Long-Term Care Is Needed

is a primary reason people purchase long-term care insurance protection. Indeed, over half (51%) of new long-term care insurance claims begin with home care. Home care costs have risen over time but far more modestly than skilled nursing home care costs.

HOME HEALTH CARE COSTS ANNUALIZED INCREASE

1.01% (annualized) for years 2000 to 2012

1.67% (annualized) for years 1996 to 2012

Source: AALTCI, 2014 LTC Sourcebook.

Based on U.S. Producer Price Index for Home Health Care Services.

WHO BUYS? WHO USES AND WHEN? ★★★★★

Couples or partners make up the majority of long-term care insurance purchasers even when both are not covered or when both do not health qualify for policies.



AALTCI, 2014

THE REASON TO PLAN NOW

The result of living a long life is a very real risk of needing long term care. What's your plan should you or a loved one suffer a health impairment and need care for a few months or for many years? For long-term care insurance protection to be a part of your plan, you must health qualify.

BECAUSE YOUR HEALTH CAN CHANGE AT ANY TIME, now is the best time to learn more.

EVEN IF YOU BELIEVE IT WILL NEVER HAPPEN TO YOU, it's important to understand your options now.

SPEAK TO YOUR INSURANCE OR FINANCIAL PROFESSIONAL

continued...

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YOU MAY THINK YOU'LL NEVER Need Long-Term Care

And you may be right. But what would happen to your family if you are wrong? The consequences could compromise your family's lifestyle and everything you planned for.

Long term care can affect your family:

Emotionally as family members navigate the caregiving system seeking to find the best care for you.

Physically especially if they are your caregivers.

Financially because care can be expensive. This may leave less for your spouse's living expenses or the legacy you hoped to leave your children or others.



Creating Your Long-Term Care Strategy

Good planning starts with thinking about your long-term care strategy. You've started just by reading this guide. Now, think and learn more about:

- **Where and how you would like care delivered if you need it.**
- **The level of independence you'd like to maintain.**
- **The role you'd like your family to play in your care.**
- **How you want to fund care costs, while protecting your assets and income.**

For many people, long-term care insurance is part of the strategy. It can help pay for the care you need.

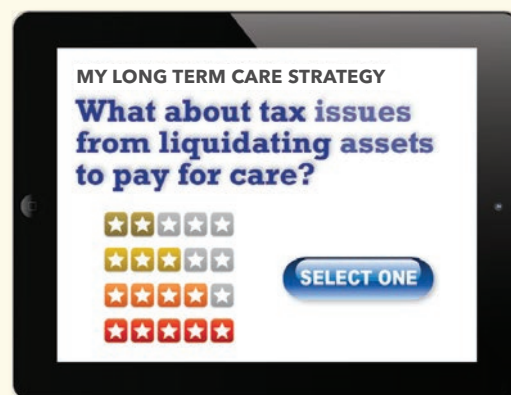
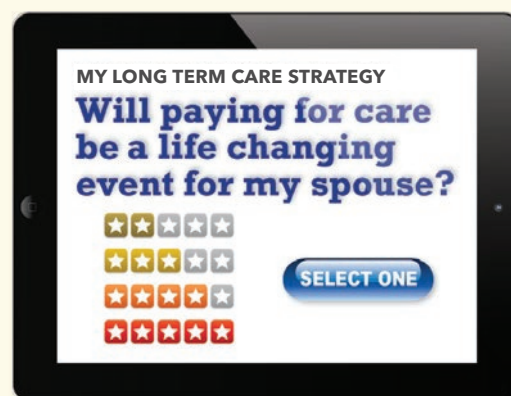
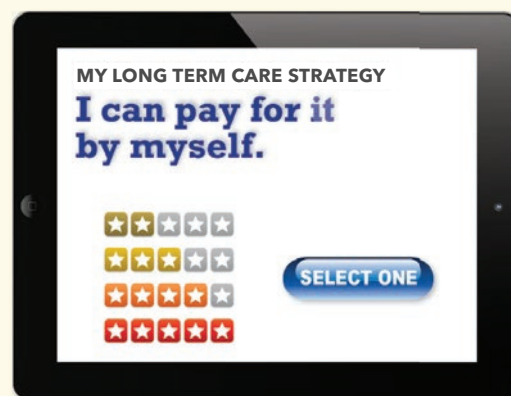
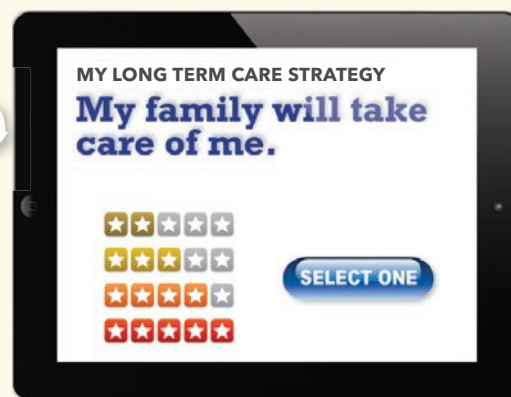
And, perhaps most important, it may help preserve peace in your family. Long-term care insurance may give your loved ones the opportunity to supervise your care rather than provide it. It allows loved ones to be your family – not your caregivers.

LEARN MORE

Ways To Plan - Ways To Reduce Costs

Read the five guides from prior issues of Kiplinger's Personal Finance magazine.

www.aaltci.org/guides



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Stay.

Why leave your home and everything you love just because you need long term care?

There are solutions available that cover in-home care, so you can get the help you need in the place you love most.

Best of all, that coverage may be more affordable than you think.

Visit genworth.com to learn more.



Genworth Life Insurance Company and in New York,
Genworth Life Insurance Company of New York.
Administrative Office: Richmond, VA