



Discover
Some of the
Best Ways
to Save

**POTENTIAL WAYS TO REDUCE
THE COST OF**

Long-Term Care Insurance Protection

**WAYS TO SAVE
FOR SINGLE AND MARRIED
MEN AND WOMEN**



POTENTIAL WAYS TO REDUCE THE COST OF Long-Term Care Insurance Protection

Provided by the
American Association for Long-Term Care Insurance
ADVOCACY • INFORMATION • EDUCATION • STANDARDS

When it comes to long-term care insurance **there are ways to reduce the cost significantly.** This guide is intended to provide a brief overview of some of the discounts and options available that can help you make this important protection more affordable than you may think.

Taking the time to read these two pages is an important step in getting the information you need to make an informed decision. Speaking to a knowledgeable long-term care insurance professional is even more important. He or she can answer and tell you more specifically what coverage costs and answer questions specific to your situation.

YOUR GOOD HEALTH TODAY CAN SAVE YOU 10% - 20% EACH YEAR

Individuals who are in good health when they apply for long-term care insurance can take advantage of good health discounts offered by insurers.

These good health (or preferred health) discounts can **reduce the yearly cost of your protection by 10-to-20 percent.** Best of all, once you qualify, you won't lose the annual savings even when your health changes.

Two important things to keep in mind. First, health changes as we age; just look at the adjacent chart. That's why it pays to get costs for your long-term care coverage sooner rather than later. Waiting can cost you a whole lot more.

Plus, each long-term care insurance company sets its own good health standards. An existing health condition that may be acceptable to one company may not be acceptable to another. That's an important reason to work with an insurance or financial professional who has access to long-term care insurance from multiple leading insurers.

AN IMPORTANT FACT

What you pay for long-term care insurance will depend on your age and health when you apply for coverage. Rates vary significantly from one insurer to another and that makes it important to work with a knowledgeable long-term care insurance professional who has access to multiple insurers.

He or she can help you select the best coverage for the best cost. The annual savings to you can be substantial.

Percentage of Long-Term Care Insurance Applicants Who Qualify For Good Health Discounts

Age of Applicant	Average Who Qualify For Good Health Discounts
30 to 39	63%
40 to 49	66%
50 to 59	67%
60 to 69	51%
70 to 79	42%
80 and Over	13%

Source: American Association for Long-Term Care Insurance; Industry Study Reveals, June 2008

BECAUSE THINGS CAN CHANGE TOMORROW IT'S SMART TO ACT TODAY

The long-term care insurance professional who provided this information can answer your questions and help you obtain affordable protection.

Ask for a no-obligation cost comparison today.



A CONSUMER'S GUIDE TO LONG-TERM CARE INSURANCE PROTECTION

DISCOUNTS FOR MARRIED COUPLES AND PARTNERS CAN SAVE YOU 15% - 40% EVERY YEAR

Discounts now available to married adults and sometimes even to unmarried adults who are living together can substantially reduce the cost of long-term care insurance coverage.

These discounts vary from one insurer to another. But, generally they range from **15-to-40 percent each year** when more than one individual buys coverage at the same time. However, a partial discount may be offered if only one individual is insured.

ADDING A DEDUCTIBLE CAN REDUCE THE YEALY COST BY 20% OR MORE

Deductibles on long-term care insurance policies are typically referred to as the Elimination Period (EP). The longer the EP you select, the lower your cost.

Most people today select a 90-to-100 day deductible period for their long-term care insurance coverage. They understand they can use their savings, some income from retirement plans or Social Security to cover some of these initial costs. They purchase long-term care insurance to transfer the longer and more costly risk to the insurance company.

“RIGHT SIZING” YOUR POLICY BENEFITS CAN HELP YOU SAVE SIGNIFICANTLY

The more benefit you potentially can receive, the more you'll pay for long-term care insurance. That's logical. So, you're smart to think about how much coverage you really need or can afford right now. We call that “right-sizing.”

There are two ways to “right-size” your long-term care insurance protection. The first is to select coverage equal to the amount of savings or assets you want to protect from being forced to spend on a long-term care need. An insurance benefit set at \$100-per-day (at current level) **will cost 50% less** than a \$150-per-day benefit and **100% less** than a \$200-per-day benefit.

The second way is to consider the length of coverage – how long you wish protection to last. Clearly, no one can predict whether you'll need long-term care or for how long. Your actual chances of needing long-term care are either 0% or 100%. You can insure against the real risk and the potential cost.

Take the time to talk with a long-term care insurance professional. He or she can explain options and choices based on your personal financial situation. Today, many newer policies permit you to add coverage in the future should your circumstances or desire to increase protection change. You may start with some nominal coverage that you can add to in the years ahead.

2 SAVINGS TIPS

Insurers generally allow you to pay monthly or once a year. Paying on an annual basis can save you up to 8% each year.

Most insurers offer a way for married couples to reduce their cost. A shared care benefit gives couples a pool of money to work with. You'll save buy buying a shorter benefit period – even after adding in the cost of this option.

LATEST DATA REVEALS WHAT INDIVIDUALS BUY

Daily Benefit Amount

\$ 50 - \$99	6.0%
\$ 100 - \$149	31.5%
\$ 150 - \$199	35.0%
\$ 200 or more	27.0%

Elimination Period

20 - 30 Days	7%
31 - 89 Days	7%
90 - 100 Days	83%
Over 100 Days	3%

Policy Benefit Period

1 Year	1%
2 Years	8%
3 Years	32%
4 Years	14%
5 Years	24%
6 - 10 Years	6%
Lifetime (Unlimited)	15%

A FINAL WORD

It's easy to put off planning. But that can be a costly mistake. It costs nothing to find out how much long-term care insurance coverage costs ...and to see if you can health qualify. Costs increase with your age...so every year you delay will increase what you pay.



The American Association for Long-Term Care Insurance is the industry's professional trade organization. This material provides a general overview of the subject. When considering long-term care insurance protection, always be certain to read your policy.

© American Association for Long-Term Care Insurance www.AALTCI.org All rights reserved.