

A SPECIAL PLANNING GUIDE
FOR KIPLINGER'S PERSONAL FINANCE READERS

Your Guide To Long-Term Care Planning

GOOD



Things You Might Not Know

BETTER



Planning Concepts

BEST



Ways To Plan Today

LEARN MORE

THE TIME TO PREPARE IS NOW!

The need for long-term care is one of the biggest financial threats you could potentially face in life.

This guide answers the most common questions regarding long-term care planning and insurance protection.

PRESENTED BY THE
American Association for Long-Term Care Insurance
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Long-Term Care

(The Need for Extended Care)

Planning Is Important

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

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

Are you prepared with a plan to address an extended 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 can 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 costs.

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

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



THE BEST REASON TO PLAN NOW

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

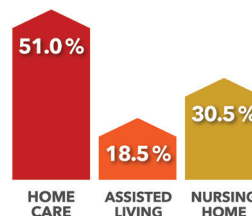
You'll never be younger or likely healthier than you are today, which makes now the best time to plan."

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 55 AND 64 **



* 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 hybrid 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 coverage amount today.

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

BEST **Annual 3% benefit growth.** Preferred by many who purchase today, policies with the 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 (2012).
Source: 2014 LTC Sourcebook, AALTCI

WHO BENEFITS

FROM LONG-TERM CARE INSURANCE?

FROM AALTCI's 2014 REPORT

\$7.5 BILLION PAID IN CLAIMS NATIONALLY (2013)

273,000 CLAIMANTS OPENED A CLAIM IN 2013

The nation's long-term care insurance companies paid \$20.5 million of claim benefits per day 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, Feb. 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...

YOU MAY THINK YOU'LL NEVER Need Extended 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.

Extended 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.

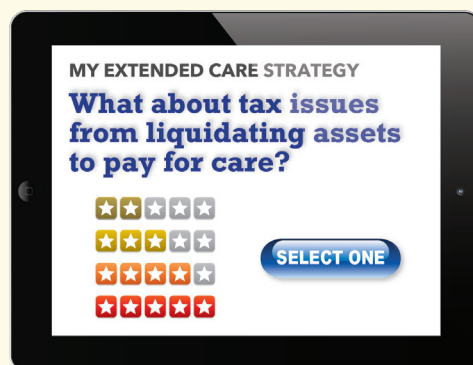
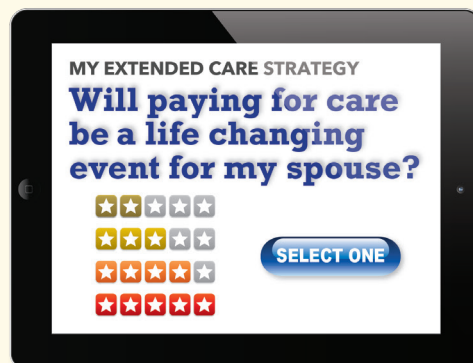
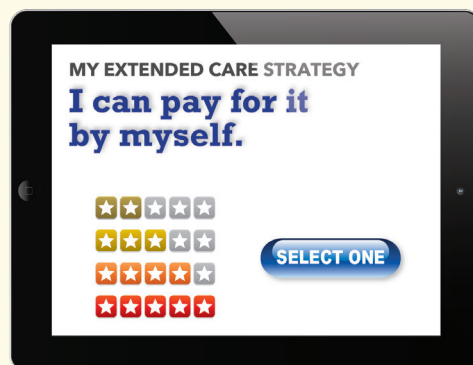
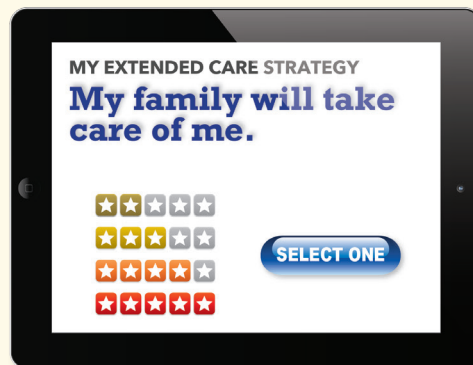
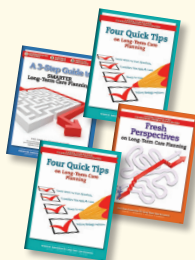
And, perhaps most important, it may help preserve peace in your family. Long-term care insurance may give your loved ones the opportunity to supervise your care rather than provide it. It allows loved ones to be your family - not your caregivers.

LEARN MORE

Ways To Plan - Ways To Reduce Costs

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

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