



Where Insurance Expertise
Meets Technology

Understanding Long Term Care Insurance

Long Term Care Insurance is a product that pays for a variety of services and supports to meet needs (both health and personal care) over an extended period of time. Often times, long-term care is non-skilled personal care assistance, such as help performing the activities of daily living, which are:

- Bathing
- Dressing
- Toileting
- Eating
- Transferring (to or from bed or chair)
- Continence

Who needs Long-Term Care?

Long-term care is needed when you no longer are able to care for yourself independently due to a chronic illness or disability. Your illness or disability could include a problem with memory loss, confusion, or disorientation. (This is called Cognitive Impairment and can result from conditions such as Alzheimer's disease.)

Where are Long-Term Care services provided?

- In the home
- Assisted living facilities
- Residential care facilities
- Residential care facilities for the elderly
- Community centers
- Hospice facilities
- Hospice in-home care
- Nursing homes
- Nursing facilities

What types of Long-Term Care services are there?

- **Care for Custodial (Personal) Needs:** Care provided to assist with the activities of daily living or to meet personal needs.
- **Care for Skilled Needs:** Care provided by a licensed health care professional such as an RN, LPN, physical therapist or speech therapist. A physician must order this care.

What are my chances of needing Long-Term Care?

- Nearly 40% of people needing Long-Term Care are working age adults.
- People age 65 face at least a 40% lifetime risk of entering a nursing home for some period of time.
- The average nursing home stay is 2.4 years and 10% of residents will stay five years or longer.
- The chances of needing long-term care are increased by:
 - Age: The risk generally increases as you get older.
 - Marital Status: Single people are more likely to need care from a paid provider.
 - Gender: Women are at a higher risk than men, primarily because they tend to live longer.
 - Lifestyle: Poor diet and exercise habits can increase your risk.
 - Health and Family History: also impact your risk.

How Much Care Might I Need?

It is difficult to predict how much or what type of care any one person might need. On average, someone age 65 today will need some long-term care services for three years. Service and support needs vary from one person to the next and often change over time. Women need care for longer (on average 3.7 years) than do men (on average 2.2 years). While about one-third of today's 65-year-olds may never need long-term care services, 20 percent of them will need care for more than five years.

If you need long-term care, you may need one or more of the following:

- Care or assistance with activities of daily living in your home from an unpaid caregiver who can be a family member or friend;
- Services at your home from a nurse, home health/home care aide, therapist, or homemaker;

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- Care in the community; and/or
- Care in any of a variety of long-term facilities.

Generally, services provided by caregivers who are family or friends are unpaid. This is sometimes called informal care. Paid services are sometimes referred to as formal services. Paid services often supplement the services provided by family and friends.

What is the average cost of Long-Term Care?

City, State	In-Home* 5 hours/day x 5 days/week	Assisted Living/ Residential Care Facility** 7 days/week	Nursing Home/ Facility** 7 days/week
Boston, MA	\$33,800	\$102,930	\$49,716
Denver, CO	\$32,500	\$30,156	\$65,335
Miami, FL	\$20,800	\$35,232	\$72,635
New York, NY	\$22,100	\$49,752	\$129,575
Seattle, WA	\$29,900	\$35,580	\$88,695
National Average	\$26,000	\$36,372	\$69,715

*MetLife Mature Market Institute, "The MetLife Market Survey of Adult Day Services and Home Care Costs," September 2008.

**MetLife Mature Market Institute, "The MetLife Market Survey of Nursing Home and Assisted Living Costs," October 2008.

Policy Choices

Deciding to invest in long-term care insurance is only the beginning. Next, you will need to sort through the wide variety of long-term care policies available to you. Then, you will need to determine your policy's specific features. The options you choose will determine the cost of your premiums.

Coverage

You can choose long-term care insurance policies that pay only for nursing home care, or only for home care. Or, you can opt to purchase coverage for a mixture of care options that includes nursing home, assisted living, and adult day care.

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Daily or Monthly Benefit

The daily or monthly benefit is the amount of money the insurance company will pay for each day or month you are covered by a long-term care policy. If the cost of care is more than your daily or monthly benefit, you will need to pay the balance out of your own pocket.

Benefit Period

Your benefit period determines the length of time you will receive benefits from your policy. You can choose a benefit period that spans from two to six years, or the rest of your life.

Elimination or Waiting Period

During this period, you must pay all of your long-term care expenses out of your own pocket. This period could last anywhere from 0 to 100 days. The longer the waiting period is, the lower your premiums will be.

Inflation Protection

Most policies increase the value of your benefit over time to account for inflation.

Non-Forfeiture Benefit

Policies with this benefit will continue to pay for your care even if you stop paying premiums. This policy feature can add 10 percent to 100 percent to your premium.

Why do people purchase Long-Term Care Insurance?

- To help avoid depending on family or friends
- To help maintain options as to how and where to receive care
- To help preserve their future independence
- To help avoid using retirement savings or personal assets to pay for long-term care services

Why do people pay for Long-Term Care services?

- Retirement Savings
- Personal Assets
- Long-Term Care Insurance

Long-Term Care Insurance can help you plan for future possibilities, and help you extend your retirement savings.