

Long-Term Care Insurance

Long-term care insurance is meant to cover the cost of nursing home care and long-term home health care. Medicare and private health insurances do not cover these costs. This kind of insurance is not government regulated. You may want to purchase this for yourself. Your children may want to purchase it for you to protect themselves from having to pay for your long-term care or to protect their future inheritance.

Find out more about long-term care insurance from:

- LongTermCare.gov at <http://longtermcare.gov>. Learn the basics of long-term care and ways to pay for it. Use the LTC PathFinder tool to get information on long-term care insurance that is most relevant and useful to you now.
- National Advisory Center for Long-Term Care Insurance at www.longtermcareinsurance.org. Get help from an unbiased long-term care insurance advisor. Ask for multi-company comparative quotes for long-term care insurance.
- Consider a policy that starts paying on the 90th day instead of day 1. The difference in price can be 30%. Do this only if you can afford the long-term care center's cost for the first 3 months on your own.
- Check Moody's and Standard & Poors at your local library. Look for insurers rated "A" or better.
- Read the complete policy coverage. Consult an attorney or knowledgeable person to review it with you.
- Pay premiums, by check, directly to the insurance company. Never pay in cash.
- Fill out the policy application yourself or with a friend or relative. Don't allow someone to do it for you.
- Be cautious of companies advertised by celebrities.
- Insist on coverage that does not require a hospital stay before going to a nursing home.
- Resist high pressure insurance agents or claims that their long-term care insurance is endorsed by the government.

Be cautious before you purchase a policy.
Ask the following questions:

- Will the policy cover home health care?
Does this include “aides” or housekeeping coverage or just “skilled” care?
- Does the policy cover Alzheimer’s disease, specifically?
- Must you be medically ill to receive benefits? What about custodial care?
- Does the coverage include nursing home custodial care, adult day care, or other community-based services?
- Does the policy require a prior hospital stay before entering a nursing home?
- Are there exclusions for “pre-existing” illnesses? Are there waiting periods?
- How long is a stay in a nursing home covered? (The average stay is just under 4 years.)
- How much will the nursing home be paid on a daily basis from this policy? What is the daily charge of the nursing home? You will have to pay the difference between the insurance coverage and what the nursing home charges.
- If premiums are being paid, is there a guarantee that the policy can be renewed?
- Is the policy one that can’t be canceled?
- Will your coverage keep up with inflation?
- Are premiums waived while getting benefits?