

# Planning for the LONG ROAD ahead

Long-term care insurance can protect your health as well as your assets.

*by Kathy Oxborrow, for The Bulletin Special Projects*

I've been told I am a prime candidate for long-term care insurance.

I'm 65, single, have no children and I have assets — assets that would be liquidated and used to care for me should I have health issues necessitating help with my daily living activities over an extended time period, which, by the way, Medicare does not cover.

In fact, I may have waited too long.

Connie Humbert, an insurance broker specializing in Medicare and long-term care insurance, said the best time to take out a policy is in your 50s because age-related health issues probably haven't begun to appear yet.

Your health is one of several criteria used to determine eligibility and premiums, along

with your age, the mortality rates in your community, where you travel, your memory ability and your level of activity.

At 65, I can expect to pay \$2,000 to \$4,500 in annual premiums. I won't receive a rating until I complete the application process.

Like many Baby Boomers, I'm active, in good health and planning to work for a very long time — haven't been the best saver. The thought of anything intruding on my independence, earning potential or ability to care for myself seems far-fetched.

And therein lies the problem: you just never know. I could get bucked off my horse and hurt myself severely enough to need in-home help while I recover. I could be injured in an auto accident.

"Long-term care isn't just for the end of your life," said Humbert. "Being on claim with long-term care doesn't mean you have one foot on the banana peel sliding into your grave."

In 2011, 50 percent of long-term care insurance claims paid for in-home care, 19 percent for assisted living and 31 percent for nursing homes, according to a recent Wall Street Journal article.

People start using long-term care insurance between the ages of 78 and 82. The average claim length is two to four years, ending when folks depart this Earth.

Humbert said that, once they reach 65 years of age, 65 to 70 percent of people will have a long-term care event before they die.

**“The average citizen probably isn’t aware of how expensive long-term care is and how quickly it can burn through their assets with care in nursing facilities. You’re probably looking at \$7,000 a month.”**

“The average citizen probably isn’t aware of how expensive long-term care is and how quickly it can burn through their assets with care in nursing facilities,” said Mike McCormick, deputy director of Aging and People with Disabilities at the Oregon Department of Human Services. “You’re probably looking at \$7,000 a month. Someone with a modest nest egg of \$100,000 to \$200,000 ... that’s going to go away quite quickly.”

Cathy Mendell, founder and CEO of Elevation Capital Strategies, a wealth and retirement planning

firm, confirms that long-term care insurance isn’t cheap.

“But what you’re doing is protecting your assets so that if and when anything should happen to you or your spouse, it doesn’t strip away your assets so you have nothing to live on. It protects your estate.”

A long-term care policy is like putting an umbrella over the assets you’ve built up over your lifetime, said Humbert.

I briefly considered ingratiating myself with my younger friends hoping they might consider caring for me in old age, but that didn’t

really seem like a sound plan. So I’m seriously looking at taking out a long-term care policy.

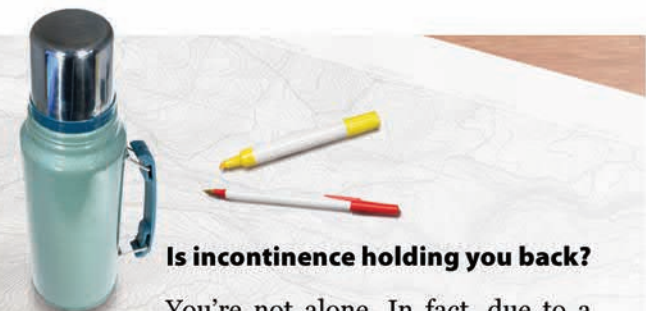
Here’s what I’ve learned about the process for applying for long-term care insurance and what benefits I need to consider:

First, I will be interviewed by an insurance agent to see if I’m a good candidate. Next comes filling out an application followed by blood tests, submission of my medical records by my doctor and a memory test. The insurer pays for the required medical tests.

Mendell said insurance companies want to make sure you

don’t have AIDS or other chronic illnesses. They are particularly concerned about diseases like Parkinson’s and Alzheimer’s.

“The most important thing to look for in long-term care insurance is a real understanding of the cost of premiums over time and then the benefits over time,” said Nicole Palmateer, association director at the Oregon Association of Area Agencies on Aging and Disabilities. “When you’re purchasing something that you’re going to be using in the future, it’s important to understand what you’re buying and what you’re



### Is incontinence holding you back?

You’re not alone. In fact, due to a variety of reasons, about 25 million American men and women are kept from fully enjoying their lives because of the sudden and urgent need to urinate, and/or the leakage of urine.

But incontinence need not steer you off course anymore. You can take immediate steps right now to get back on track. Give us a call. We have been providing the area’s finest urological care for over forty years.



*You’re Good to Go.*

 **BendUrology**

541 382 6447 | 2090 NE Wyatt Court | Suite 101 | Bend OR 97701 | bendurology.com



going to be getting down the road.”

Based on my research, these are the features I want in my policy:

- One that covers in-home and nursing-home care, and one that pays for personal care and skilled care. Personal care includes help with walking, eating and bathing. Benefits typically kick in when you need assistance with two or more of these daily living activities for at least 90 days.

- A policy that includes inflation protection.

- A “qualified long-term care

insurance” contract for tax purposes. These policies are generally treated the same as accident and health insurance. Unreimbursed expenses and insurance premiums are deductible as medical expenses. If benefits cover only actual expenses, they are 100 percent tax-free.

Long-term care insurance is no different than other types of insurance. You’re buying protection against unpredictable future events. You weigh the risks and the costs associated with sheltering you from those risks.

And finally, talk to your accountant.

“There are many considerations involved in purchasing LTC insurance,” said CPA Keith Dodge.

---

Writer Kathy Oxborrow (left) shuffles through a stack of information and paperwork as she considers purchasing long-term care insurance.

Photo by Christopher L. Ingersoll

## We know seniors.

“We care about seniors — through all stages of life. As a physical therapist, it’s my mission to make sure people walk better, stand better, and feel better. I’m here to help make life a little better.”

Partners In Care provides support at nearly every level of care, now including new outpatient physical therapy services. Call today to learn more.



541-382-5882  
partnersbend.org

Physical Therapy

