



THE LAW OFFICES OF
HOYT & BRYAN, LLC
FAMILY WEALTH & LEGACY COUNSELLORS

MARGARET "PEGGY" R. HOYT, J.D., M.B.A. †*
RANDY C. BRYAN, J.D. † ‡

† BOARD CERTIFIED IN WILLS, TRUSTS & ESTATES

‡ BOARD CERTIFIED IN ELDER LAW

* CERTIFIED LEGACY ADVISOR™

5 Questions to Ask Before Buying Long-Term Care Insurance

With so many long-term care policies to choose from, it has become more difficult to be sure that you're selecting a policy that's best for you. Because all policies are not the same, this guide will help you understand long-term care insurance and obtain the coverage that best fits your individual needs.

1. What is the best way to calculate how much coverage you need?

The amount of coverage depends on what you need and what you can afford. As a general guide, you should not spend more than 5 to 10 percent of your income (both earned and unearned) on long-term care insurance premiums. In terms of the size of the daily benefit you purchase, it should make up in the shortfall between your income and the average cost of nursing home care in your area.

2. How long of a period should I insure myself for?

There is no one right answer for everyone. Most people buy what gives them peace of mind and is affordable. If you're between the ages of 50 to 65, consider lifetime benefits with compound inflation options. If you're 65 to 75, think about a six-year or lifetime benefit period with simple inflation options. Those older than 75 years old should consider buying more daily benefits for as long a period as they can afford.

3. Is the policy a group certificate type or an individual policy?

The difference between a group policy and an individual is significant even though the distinction may not be obvious. In some states, individual policies are regulated while group ones are not. Individual policies, however, are guaranteed renewable for life.

4. Does the policy cover homemaker services?

Homemaker services include cooking, shopping, changing beds, cleaning the house and doing laundry. Not all policies provide coverage for homemaker services and some require that they be specifically included in a plan of care.

5. How does my health history affect the cost of the insurance?

Your personal health history can make a difference in both coverage and premium cost. Since insurance companies differ in the way they view certain health problems, it's essential that your insurance agent has access to a broad selection of insurance carriers.

** All information compiled from www.ElderLawAnswers.com **