



**IT'S A BIG DECISION...  
WOULD IT BE COSTLY TO WAIT?**



Many people who truly intend to purchase long-term care insurance put it off from year to year. They procrastinate...thinking they can wait until they're a little bit older before deciding to buy. But waiting might be costly!

For starters, like most insurance - premiums are based on how old you are when you apply. The older you are when you sign your application - the higher your premiums will always be.

Also, the information you provide on your application is based on your past history up to the time you apply for coverage. Should your health change...or should you suffer an accident... you could become uninsurable.



**IS IT WISE FOR ME TO SHOP AROUND  
BEFORE SELECTING AN INSURER?**



Purchasing long-term care insurance can be complicated. That's why your agent makes it a practice to look at the same things you'd want to know when choosing an insurance company.

For example, is the insurer financially stable with a strong commitment to the long-term care market? Are their policies priced correctly? How about their contracts - are they easy to understand?

You can count on GOLDENCARE USA and your agent to research the growing number of insurers and the long-term care products they offer. This research saves you the time and hassle you'd have to endure if you shopped for long-term care insurance all by yourself.



**HOW IMPORTANT ARE A  
COMPANY'S RATINGS?**



Because ratings indicate a company's financial strength, it's wise to select a company that has the resources and the commitment to cover its obligations. It is suggested you check the ratings from A.M. Best Company, Standard & Poor's and Fitch.

## SOURCES

1. American Health Care Association - Consumer Information about Long-Term Care - 2005
2. U.S. Dept. of Health & Human Services - Medicare/Paying for Long-Term Care - January 2007
3. Genworth Financial 2006 Cost of Care Survey
4. National Clearing House for Long-Term Care - 2007
5. Long-Term Care Policy Experts, Stakeholders Address Challenges Facing Aging Population as 77 Million Boomer Near Retirement Age - US Newswire, April 20, 2005
6. Office on Women's Health in the Dept. of Health & Human Services - January 2006

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# Facts & Information To Help You Make The Right Decision

## QUESTIONS AND ANSWERS ABOUT LONG-TERM CARE



**I'M REALLY HEALTHY RIGHT NOW...  
WHY WOULD I NEED LONG TERM CARE INSURANCE?**



Nearly half of all Americans will need long-term care at some point in their lives. In fact, one in five people over the age of 50 is at high risk of needing long-term care within the next twelve months.<sup>1</sup>

You may be in good health today...but if your health changes, even as early as tomorrow, you may not be able to get insurance at any price. And then you could be faced with paying all the bills yourself.



**I ALREADY HAVE HEALTH INSURANCE ...  
DO I REALLY NEED LONG-TERM CARE INSURANCE TOO?**



There's a big difference between health insurance and long-term care insurance! Health insurance (including Medicare) generally pays the cost of treating illness or injuries, including doctor visits, hospitalization, and lab tests.

Long-term care insurance, on the other hand, is designed to cover ongoing care and services required by those who are unable to care for themselves. Long-term care may be needed because of physical limitations or cognitive difficulties.



**WOULDN'T MEDICARE PAY FOR MY  
LONG TERM CARE NEEDS?**



The fact is Medicare does not pay for most long-term care. Medicare ONLY pays for a limited amount of medically necessary skilled nursing facility or home health care. It does not pay anything for care in an Assisted Living Facility.

Most long-term care is to assist people with activities of daily living such as dressing, bathing and using the bathroom. Medicare does not pay for this type of care, which is often called "custodial care."<sup>2</sup>

In reality, Medicare coverage is limited to skilled nursing care for a maximum of 100 days.



## JUST HOW EXPENSIVE IS LONG-TERM CARE? I WANT TO BE SURE MY RETIREMENT IS SECURE.



Long-term care services can be very expensive and costs vary widely based on where you live. As a national average, the daily rate for a private room in a nursing home is \$194.28 or \$70,912 per year. The daily rate for a one-bedroom assisted living facility unit is \$88.48 or \$30,265 per year.

As for home care, the hourly rate for a home health aide is \$25.32 and the hourly rate for homemaker services is \$17.09.<sup>3</sup> Because professional home care services costs much more, many policies offer higher benefits to cover the services of a registered nurse, physical therapist, etc.

If you want to help protect your income and assets, long-term care insurance should be an essential part of your retirement plan. The cost of long-term care services can be staggering and could pose a threat to your financial independence during your retirement years.



## WHAT ARE THE MAIN ADVANTAGES OF HAVING LONG-TERM CARE INSURANCE?



A key advantage is freedom to choose where you want to receive care. Most people want privacy and prefer to be cared for in the comfort of their own home. Some policies even pay cash benefits when family and friends provide care and no charges are incurred. For optimum protection, be sure to choose a policy that also covers care in a wide variety of facilities and nursing homes.

Long-term care insurance is an effective way to help protect your assets and savings against the rising cost of care. Another major advantage of this valuable protection is not having to rely on family and friends for all your care needs.



## AM I TOO YOUNG TO BE THINKING ABOUT LONG-TERM CARE?



The need for long-term care can come at any age, no matter what a person's health status. In fact, forty percent of people currently needing long-term care are adults 18-64 years old.<sup>4</sup>

Premiums are based on your age at the time you apply - so the younger you are, the lower your premium. And it's always best to apply for long-term care insurance while you're in good health.



## WHAT KIND OF RISK WOULD I BE TAKING WITHOUT LONG TERM-CARE INSURANCE?



Many people who begin paying for nursing home care find that their savings are not enough to cover lengthy confinements. The failure to prepare for the cost of a nursing facility stay or other long-term care is often the reason for the loss of financial security among retirees.

Long-term care insurance can help you protect your nest egg - and help ensure your financial security.



## WHAT ARE THE ODDS OF IT HAPPENING TO ME?



One out of two individuals will need long-term care at some point in their lives.<sup>5</sup> Think about that for a moment. These odds are no better than a coin toss. And if you're married, the odds are even worse. You probably have insurance that protects your home and automobiles. But the odds of losing your home or auto are not anywhere near your chance of needing long-term care - one out of two. Imagine if one out of every two houses in your neighborhood was on fire or, if one out of every two cars was involved in an accident.

Given the one out of two odds of needing long-term care, many people find the risk worth insuring against. Don't let long-term care insurance be the missing link in your financial plan.



## WHAT ABOUT MY FAMILY? I'M SURE THEY WOULD BE WILLING TO TAKE CARE OF ME.



Caring for another person takes a lot of time, effort and work. Plus, most caregivers juggle caregiving with full-time jobs and parenting. In the process, caregivers put their own needs aside.

Caregiver stress is the emotional strain of caregiving. Studies show that caregiving takes a toll on physical and emotional health and that the more hours spent on caregiving, the greater the risk of anxiety and depression.<sup>6</sup>

Although it's common to ask family for help, caregiving responsibilities cannot always be carried out by those you love. Sometimes family members are emotionally or physically unable to care for a loved one. Families needing both spouse's incomes, geographic differences and travel time can also compound the problem. All this could affect productivity...and that could lead to major problems, even job stability.

Long-term care insurance can help alleviate caregiving responsibilities and its inherent problems.



## CAN I FIT THE COST OF LONG-TERM CARE INSURANCE INTO MY BUDGET?



It's always easier to budget a set monthly amount than be hit with large and often unexpected expenses. Look at it this way: If you didn't have health insurance and incurred large medical bills, you would have to reach deep into your pockets - maybe tap your savings - to pay the bills. It's a gamble many people may be unwilling to take because the stakes may be too high.

The same holds true for long-term care. If something happened to you and you needed to be cared for a long period of time, your retirement savings, perhaps the money you hoped to leave your children, might need to be used to pay the bills. It's a gamble for sure. That's why many people would rather pay a monthly premium than be hit with the high cost of long-term care.