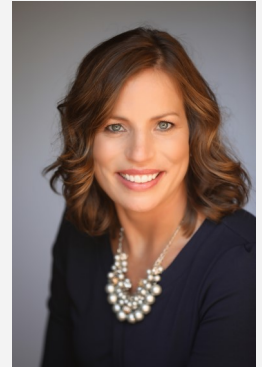




BCWM
PROVIDING PEACE OF MIND



Cindy Wysong, CFP®, MBA
Partner
Wealth Advisor

Long-Term Care Insurance

Long-term care insurance (LTCi) can be purchased to help cover potential costs associated with professional care required for daily living. Because long-term care (LTC) can be expensive, often a policy is purchased to protect the financial assets of the owner. It is impossible to know when, if ever, you will need LTC assistance. Although LTC is typically associated with older individuals, the health of a younger person sometimes requires significant long-term care. So, how do you know if LTCi is right for you?

First, review your balance sheet to determine if your personal assets would suffice should you need to pay for care. According to most statistics, the average time spent in assisted living/a nursing home is 2–3 years. And depending on where you live in the United States, annual costs for a nursing-home stay could be well into six figures. Owning LTCi could help you mitigate this financial risk in the future if you are not able to self-insure.

If you choose to pursue LTCi, do not be overwhelmed with the various options. Take some time to familiarize yourself with a few key terms:

ADL – Activities of Daily Living – typical activities one must perform in daily life

There are six common ADLs that can be assessed to help determine eligibility payments from an LTCi policy: dressing, bathing, eating, transferring (moving to a chair, getting out of bed, etc.), toileting, and continence.

Typically, not being able to do two out of these six would qualify you for benefits.

Premium – the amount of money the policyholder must pay to keep the policy in force (active)

Elimination period – the length of time that must lapse before a benefit is paid

For example, a resident might move into assisted living, but if the policy has a six-month elimination period, the insurance payment will not begin until after six months of residency.

Benefit amount – the dollar amount the policy will pay for eligible expenses (typically listed as a “Daily Benefit Amount”)

Inflation Protection – an option to factor in future inflation rates on the benefit amount

Maximum Policy Benefits – the maximum dollar amount a policy will cover over the policyholder’s lifetime

Return of Premium – a feature that returns the amount (or a partial amount) of premium paid if the policy is surrendered or unused (as opposed to a “use it or lose it” type of policy)

When comparing policies, be aware of what can seem to be subtle differences in the benefits offered. Read the fine print. In addition, the “health” of insurance carriers can vary, as can the knowledge/experience of the insurance agents who sell the policies.

BCWM, LLC
14221 Metcalf Avenue
Suite 201
Overland Park, KS 66223

Phone: 913-685-2300
Email: info@bcwm.com



Work with someone you trust and they will help you customize a policy that suits your needs.

Part of the application process will likely include underwriting to assess your health and, ultimately, the policy's premium.

Finally, if you purchase LTCi, inform your Wealth Advisor. Generally, the Wealth Advisor is the one who helps you (and sometimes next of kin) understand how the cost/benefit of long-term care will impact your financial plan.

BCWM does not sell long-term care insurance, but we are able to help you find you an insurance agent, should you need one.

