



Don't Underestimate The Value Of Long-Term Care Insurance

by Alicia Caramencio

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Many people underestimate their likelihood of needing need long-term care (LTC) and how much that care will cost. People have a 50 percent chance of needing LTC at some point in life, and about 30 percent of people who do may need care for five years or more, according to a new study by LifePlans, Inc. on behalf of America's Health Insurance Plans (AHIP).

From dressing to bathing to moving from one place to another, LTC services include help with performing common daily activities if a chronic illness or disability leaves someone unable to care for themselves. If an aging parent breaks a hip, do they have the finances to cover the daily assistance they'll likely need?

While the report notes LTC is often the largest financial risk for the elderly and their families, LTC insurance enables people to pay for LTC services without relying on their personal savings or family caregivers.

And these LTC services aren't cheap. Care in a nursing home cost an average of \$92,000 per year in 2016, according to the study. The average cost of care in an assisted living facility is \$44,000 a year, and \$46,000 a year for home health aides.

The report shows people still underestimate the cost of LTC services. Of the LTC buyers and non-buyers surveyed as part of the study, about 3 in 5 underestimate how much nursing home care costs. And people age 50 and over guessed nursing home stays in their community cost 27 percent less than the actual average cost.

The AHIP report also gives insights into why people buy LTC insurance policies. A main reason is to plan now for the possibility of needing LTC services later. These "planners" are more willing pay a known premium for an unknown greater risk of needing LTC services. People also said they purchase LTC insurance to protect their assets and their family's living standards.

Read the full report to understand the long-term care (LTC) insurance marketplace from the consumer's point of view.

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