



# TERRY'S TIPS



Asset Preservation Group  
The Key to Your Retirement Dreams

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Long-Term Care

November is national long-term care month. Many people think the phrase “long-term care” refers to just an insurance policy. While insurance may be part of your strategy, long-term care encompasses everything from long-term services and supports and finances, to where you will live and how you will navigate the myriad of legal, family, and social dynamics along the way.

Let's look at some fact's about long-term care, did you know...

**Fact:** Most people incorrectly believe that they have coverage for long term care expenses.

**Fact:** Many people incorrectly believe “other health insurance” will pay for their long term care. The truth is surprising: long term care is NOT covered by other kinds of insurance, including your HMO, health or long term disability insurance. Only long term care insurance you typically purchase on your own covers day-to-day personal care assistance when you are unable to perform everyday activities like bathing and dressing.

**Fact:** Most people incorrectly think Medicare will pay for long-term care services. In reality, Medicare does not generally cover long term care. Medicare pays for skilled care in a nursing home only for short periods (only up to 100 days) during which you are recuperating following a hospital stay for a related condition. Once your care needs stabilize, and you need personal or custodial care, Medicare will not pay these costs. Medicare will only pay for care at home under very limited circumstances. Medicaid pays for long term care only for people with very low assets and limited income.

**Fact:** The need for long term care can arise at any time in a person's life. While the majority of people who require long term care are elderly, younger people can require it anytime due to severe unexpected illnesses, diseases, injuries or accidents.

**Fact:** According to a recent report, a 65-year-old today has a 70 percent chance of needing long-term care services at some point during his or her lifetime. And, when you consider that people are living longer on average, the chance of needing long term care is likely to increase in the future.

**Fact:** While families do and will continue to provide care, it is not possible to know for certain whether your family will be available and able to care for you when the time comes. It's possible that the type of care you might need will require professional help or a stay in a nursing home or assisted living facility. For many married couples, because the wife often out-lives her husband, she is less likely to have someone nearby who can provide care for her. In addition, caring for a family member can be a huge financial and emotional burden on your loved ones. It is important to decide how you want to be cared for and ensure that you are protecting your family. The fact that family and friends may help supplement care does not have any bearing on the cost of coverage.

**Fact:** Long term care insurance is more affordable than you might think and can be tailored to meet your needs and your budget. The costs of long term care insurance can be managed by creating a retirement plan or a financial plan that is right for you. In addition, long term care insurance premiums are more affordable the younger you are at purchase.

**Fact:** Asset-based plans are rapidly growing in popularity. One key reason is because the premiums are guaranteed not to increase. In addition, premiums may be paid on a variety of schedules, from a single pay plan (one lump sum) through a 20 pay plan (20 annual payments), to lifetime payments.

**Fact:** If you don't use your LTCI benefits, or only use a portion of them, your beneficiary will receive a life insurance or annuity benefit.

**Fact:** You can replace an existing life insurance policy or annuity with an asset-based LTCI plan without incurring tax consequences, thanks to a tax code provision called a 1035 exchange.

**Fact:** Kelly Higdon will help you explore your options for long-term care.

If you already have your long-term care insurance plan in place, congratulations. If not, or maybe you want to shop around why not contact Kelly today for no-obligation information.

## Happy Birthday

Dwight Naseth

Paul Yeary

Gail Green

Clayna Hallman

Lillian Lundy

Henry Johnson

Donald Lucian

Marsha Zurschmeide

Shirley Nottemeyer

Michael McClure

Monica Rich

Sarah Reed

William Gerkins

Mary Douglas

Rick Netherton

*Want to know more?  
Want to find your ideal retirement plan?  
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consultation.*



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