

THIS GUIDE IS PROVIDED COMPLIMENTS OF

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## REDUCE THE COST OF Long-Term Care Insurance Protection



### THERE ARE WAYS TO REDUCE THE COST OF LONG-TERM CARE INSURANCE

When it comes to long-term care insurance, there are ways to reduce the cost of protection. This guide highlights several ideas that are worth considering and worth discussing with a qualified LTC insurance professional.

#### Right-sizing your policy can lower your premium

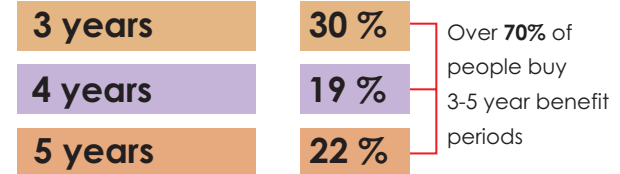
Long-term care insurance plans that offer unlimited benefits (often called 'lifetime' protection) are today's most costly, since there are no limits to the number of years your policy would pay benefits.

Shorter duration policies, which often set a benefit period, are less expensive and increasingly favored. Compared to an unlimited policy, right-sizing your coverage can help you **save 30%-to-50% each year**. Today, 70% of new policies bought by individuals have a benefit period of between 3 and 5 years, which should provide ample coverage in most situations.

#### Sharing the risk can yield significant savings

LTC insurance policies offer an Elimination Period (EP) that is similar to a deductible that you likely have for your car, homeowners or health insurance. A 90-day EP is the most common and can reduce your LTC insurance premium cost. You'll likely have income from Social Security, retirement plans and savings to pay for some long-term care costs, so sharing the risk **can yield significant savings** and are well worth discussing with your LTC insurance professional.

#### New sales by benefit period<sup>1</sup>



#### Sales by Elimination Period (EP)<sup>1</sup>



<sup>1</sup> Source: American Association for Long-Term Care Insurance, 2011 LTCI Sourcebook

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## Look into some of the newer inflation growth options

You want your LTC insurance plan to account for the rising cost of care. The standard 5% compound inflation growth option, developed years ago, is the most expensive way to increase future policy benefits. This option can double or even triple the cost of coverage.

Consider other inflation options as a way to save. Choices today may include a 3% growth formula or one tied to an inflation indicator like the Consumer Price Index (CPI).

## Good health gets you good rates

Changes in health happen and no one can predict when. Your health at the time you apply for LTC insurance is an important factor that determines the cost for your policy protection.

If you are healthy today, which people tend to be when they are younger, you may be able to **save 10%-to-20% on your yearly cost**. You'll lock in these savings too because good health discounts are not lost when your health changes.

Each long-term care insurance company has different health criteria for applicants. An existing health condition that may not be acceptable to one company may be acceptable to another. That's something a knowledgeable LTC insurance professional can address.

### Percentage Of Applicants Who Are Declined For Health Reasons <sup>1</sup>

Ages 50 – 59	17 %
Ages 60 – 69	24 %
Ages 70 – 79	45 %
Age 80 & Over	71 %

## For couples, you can save when you share

Most LTC insurance policies offer some form of 'shared care' option that allows couples to share each other's pool of benefit dollars. That allows each spouse to buy a smaller, less expensive policy but still have access to a larger combined policy benefit.

Couples (as well as partners) can take advantage of discounts available when both partners obtain LTC insurance protection. Discounts for married couples and partners can **save you between 15%-and-40% every year**. A partial discount may even be offered if only one person is covered.

<sup>1</sup> Source: American Association for Long-Term Care Insurance, 2011 Sourcebook



### SAVINGS TIP

Apply 30-to-60 days before your next birthday to lock in younger-age rates.



### SAVINGS TIP

Small groups can be set-up to take advantage of extra group discounts.



### SAVINGS TIP

Paying premium on an annual basis can save you up to 8% each year.

**Thank you for taking the time to read this guide.  
Why not take the next step and  
contact me now for no-obligation costs for  
long-term care insurance.**

