

## HELPFUL HINTS

# PURCHASING LONG-TERM CARE INSURANCE: TEN KEY CONSIDERATIONS

This educational brief, produced by the MetLife Mature Market Institute®, defines long-term care and offers key considerations to help people make an informed decision when purchasing a long-term care insurance policy. Long-term care refers to services for people who need assistance with activities of daily living (ADLs)—functions such as eating, dressing, bathing, toileting, transferring, or continence. Individuals with cognitive impairment or chronic conditions may need long-term care services. These services may be needed as a chronic illness such as Alzheimer’s disease progresses or following a period of rehabilitation after an acute event such as a stroke.

While the risk of needing long-term care increases with age, the need is not limited to older Americans. It can arise at any age. For instance, a younger person may have a disabling accident or develop a serious chronic condition such as Parkinson’s disease.

Owning a comprehensive long-term care insurance policy can help finance long-term care services received at home or in another setting such as an adult day services center, an assisted living community, or a nursing home. It can help individuals to remain as independent as possible and receive needed care in the location of their choice.

Here are ten things to consider when purchasing a long-term care insurance policy:

## 1) Do Not Assume You Have This Coverage

› Long-term care is generally not covered by health insurance policies or disability insurance. Like most other health insurance, Medicare does not cover ongoing long-term care services. It only pays for limited amounts of “skilled care” in a nursing facility or at home, when that care meets strict guidelines established by Medicare. Visit the Medicare Website at [www.medicare.gov](http://www.medicare.gov) for details.

## 2) Educate Yourself

› Visit the Websites of reputable organizations that focus on aging and long-term care issues, or read related articles in consumer or personal finance magazines.

## 3) Discuss Your Long-Term Care Plans with Your Family

› Consider whether or not your spouse, children, or other family members could provide care if

you need it and the extent to which you want to depend on them.

## 4) Consider a Range of Care Options

› Think about what care options are important to you. Policies can provide benefits for a range of services including home care, community based services (like adult day services centers), assisted living communities, and nursing homes.

## 5) Do Not Be Penny Wise and Pound Foolish

› Many times the least expensive plan is not the wisest choice because coverage may be limited and/or provide few options. You may be better off spending more on a plan that ensures you have more choices about the level and type of care you may one day need.

## 6) Buy Only the Coverage You Need

- › You do not need to purchase insurance to cover all anticipated costs if you can pay part of them from your income or assets. Consumers should research the current cost of care for their area to help estimate the coverage care levels they might need and consider what options are most important to them in selecting coverage.

## 7) Buy at a Young Age

- › Long-term care insurance rates are based on your age when you first purchase the coverage. Those who buy in their 40s and 50s can have the advantage of selecting rich plan designs for a fraction of the price they would pay if they waited to buy later. Individuals also have the advantage, generally, of better health at a younger age. If you develop a serious medical condition, you may be unable to obtain coverage.

## 8) Ensure Your Coverage Keeps Pace with Inflation

- › You may not need to use your benefits for many years but meanwhile, the costs for long-term care will generally increase. Be sure your plan benefits are protected against inflation so they can adequately meet your future needs.

## 9) Do Not Overlook Your Employer or an Affinity Organization

- › More and more employers and affinity organizations are offering long-term care insurance. These plans are usually carefully researched and may offer cost savings.

## 10) Purchase from a Financially Stable Company

- › Check ratings of companies to be sure that they have consistently high ratings and a proven track record so that if you need services in the future, you will know the company will be in business. Also, ask about their history of premium increases.

You can find the ratings of companies that offer long-term care insurance on such Websites as [www.moodys.com](http://www.moodys.com), [www.ambest.com](http://www.ambest.com), or [www.standardandpoors.com](http://www.standardandpoors.com), the leading raters of insurance companies.

### For More Information

Download the consumer guide, *The Essentials: Long-Term Care Insurance*, at [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com).



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• Not A Condition To The Provision Or Term Of Any Banking Service Or Activity  
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## The MetLife Mature Market Institute®

Established in 1997, the Mature Market Institute (MMI) is MetLife's research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI's groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

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