

Survey Finds Economic Downturn Has Had a Major Negative Impact on Americans' Ability to Pay for Long-Term Care Services

http://www.insurancenewsnet.com/article.asp?neid=200811171680.2_a382006345ef4ec2

<?xml version="1.0"?> Survey Finds Economic Downturn Has Had a Major Negative Impact on Americans' Ability to Pay for Long-Term Care Services ARLINGTON, Va., Nov. 17

LIFE Foundation Reviews Five Facts You May Not Know about Long-Term Care Insurance and Encourages Americans to Assess Their Needs

ARLINGTON, Va., Nov. 17 /PRNewswire/ -- With significant losses to their savings and investments, and economists warning of a prolonged recession, many Americans are feeling uncertain about their retirement security and their ability to pay for long-term care services. According to a new survey by the nonprofit LIFE Foundation, 64 percent of Americans age 45 and older say that the recent economic downturn has had a major negative impact on their ability to pay for long-term care services should they become unable to take care of themselves for an extended period of time. Considering that 70 percent of Americans who reach age 65 will need such care at some point in their lives, according to the U.S. Department of Health and Human Services, these findings show how financially vulnerable many people are without a long-term care plan.

Released to coincide with Long-Term Care Awareness Month in November, the LIFE survey found that most adults recognize the reality of needing long-term care services:

- Sixty-one percent say they are concerned that they will be responsible in the future for providing either financial assistance or personal care to a loved one who needs long-term care services.
- More than half of all adults (58%) think it is likely they will need long-term care services at some point in their lives.

While adult Americans recognize the risk, few of them, according to Deb Newman, CLU, ChFC, LTCP, president of Newman Long Term Care and spokesperson for LIFE, own long-term care insurance to guard against this risk.

"On average, the cost for long-term care services is roughly \$70,000 a year. In today's tough economic environment, most people have far less money available to pay for these services, and it's likely they will need them," says Newman. "Long-term care insurance guarantees that you will always have the financial means to afford the kind of care you'll need and prefer."

Since shopping for a long-term care insurance policy can be complicated, LIFE recommends people meet with a qualified insurance professional who can walk through their options and help them find a plan that meets their specific needs and budget.

LIFE reviews five things people may not know about long-term care insurance and encourages all Americans to make November, Long-Term Care Awareness Month, the time to assess their needs.

You can Share the Care -- If you're reluctant to purchase a policy for yourself, consider one that would cover you and your spouse if either of you ever needed it. Many long-term care policies offer the option of a shared benefits rider, which enables you and your significant other to draw from one policy up to a specified benefit limit.

State Partnership Programs Can Mean Big Savings -- Many states have created Long-Term Care Insurance Partnership Programs to provide incentives to encourage residents to purchase policies. When you purchase a policy through these programs, your state guarantees that if you use up the policy's benefits, you'll be able to qualify for Medicaid without first having to deplete all of your assets. Since these programs vary from state to state, check with your state insurance department to learn more about the program in your area.

Home Care is an Option -- One of the biggest misconceptions people have is that long-term care insurance will only cover care provided in a nursing home or assisted living facility. The reality is that today, most policies offer

the buyer the option to receive care in a range of different settings. In fact, the option to receive care at home is now included in virtually all policies sold today. Recently, Unum, a leading insurer in the group long-term care market, reported that nearly 70 percent of its customers use their long term care benefits for care that occurs in the home. So make sure to choose a policy that will pay for care where you want it delivered.

You May Want Coverage before Saying "I Do" -- With more people getting married or remarrying at older ages, including long-term care insurance in prenuptial agreements or alimony packages is becoming more common. If you and your spouse-to-be both purchase a policy, you can guarantee that each of your assets and lifestyles will be protected should either of you need care in the future.

For Most, It's Not Too Late to Purchase Coverage -- Experts recommend that people should begin thinking about their long-term care insurance options in their 40s, when they're young and healthy and have the best chance of locking in a preferred premium rate for coverage. However, if you are over the age of 60, it's not too late. Today, many insurance companies are selling policies to people who are in good health into their 80s.

For more buying tips and information on long-term care insurance, visit LIFE's website at www.lifehappens.org/longterm.

Survey Methodology

The LIFE survey was conducted by KRC Research October 30 - November 2, 2008. The survey polled a nationally representative sample of 1,006 Americans, ages 18 and older via telephone. The survey has a margin of error of +/- 3.1% at the 95% confidence level.

About LIFE

The nonprofit Life and Health Insurance Foundation for Education (LIFE) was founded in 1994 in response to the public's growing need for information and education on life, health, disability and long-term care insurance. LIFE also seeks to remind people of the important role insurance professionals and employers perform in helping individuals find the insurance products that best fit their needs. To learn more about these topics, please visit www.lifehappens.org.

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