

Long Term Care Insurance... Is it worth the price?

Portsmouth, NH - October 19, 2008- Health care costs are on the rise. How much is enough to cover medical costs once you have retired? Fidelity found that a 65-year-old couple retiring in 2008 will need approximately \$225,000 to cover their medical costs. This figure is up 4.7 percent from 2007.

Long-term-care insurance offers coverage for individuals who may require a certain level of care as they get older without the restrictions of Medicare and Medicaid

When planning for retirement you are faced with many questions and responsible planning is essential to your financial health. Do you want to self insure, rely on federal programs or put a program in place that would provide coverage for a variety of situations, most importantly **staying in your own home.**

The average cost of a one-year stay in a nursing home is about \$55,000, according to the Health Insurance Association of America. If an individual needs three years of care, that's about a \$165,000 bite out of the family's net worth and in the northeast that number is double. Paul Doran of Avery Insurance is a certified expert in Long Term Care and answers the following questions on benefits vs. risks when purchasing Long Term Care Insurance:

- **Why should you consider purchasing a Long Term Care Policy?**
 - To be able to stay in your own home
 - To avoid depending on others for your care
 - To protect your savings
 - To be able to leave an estate for heirs
 - **Because the government may not cover the care you will need in the future.**

- **At what age is the best time to purchase Long Term Care Insurance?**

When you are healthy! The average age is 55 and that is dropping. The main reason the average age keeps dropping is because children are taking care of their parents and watching their parent's life savings going toward health care. They are purchasing LTC Insurance so their children don't have to take care of them.

- **Is the policy tax qualified?**

Some are and some aren't but I only use and recommend tax qualified plans.

- **How much does a typical policy pay out?**

Depending on a family's income, most plans will cover 60% to 80% of the bills. A client's income (social security and/or pensions) will offset the other costs.

- **How much does a typical policy cost?**

For a couple in their 50's the average policy cost is \$2,000 - \$3,000 a year; a couple in their 60's average policy cost is \$3,000 - \$4,000 a year; and a couple in their 70's the average policy cost is \$5,000 - \$6,000 a year.

“November is now recognized as Long Term Care Awareness Month and developing an understanding of how it works, what the costs are, and what role this type of insurance will play in your family’s financial plan is your first step in becoming aware of it’s importance” said Doran. “You should meet with a knowledgeable representative to evaluate your specific plan.”

For additional information on Long Term Care Insurance or Avery Insurance, call 603-766-3733 or visit the agency at 7 Islington, Portsmouth, NH.