

LONG-TERM CARE INSURANCE

Financial Position

Investing

Estate Planning

Managing Risk

Retirement Planning

Taxes

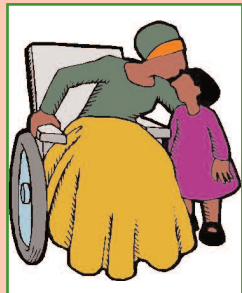
Long-term care insurance provides services for the chronically ill or disabled over a long period. But even more important, it protects your assets and income for your family. So consider your needs for long-term care insurance and prepare for your family's future.

What is long-term care?

Long-term care is a variety of non-skilled services needed over an extended period, usually because of a chronic illness, disability, or cognitive problem. It helps a person with activities of daily living such as dressing, eating, transferring, toileting, continence, and bathing.

A person can receive long-term care in the home or in a facility such as a nursing home.

Who needs long-term care?



Anyone may need long-term care. Sporting and vehicle accidents, disabling illnesses, and cognitive impairments can strike anyone, at any age. It is not just a problem of the elderly. In fact, 40% of all recipients of long-term care are between the ages of 18 and 65.

How much could this care cost?

This table shows the national average of long-term care costs. The cost of care varies by state. And we can only estimate the costs in the future. Currently the average need for long-term care is 2.4 years.

	Homecare	Care in a Facility
2005	\$95 / day \$24,000 / year	\$176 / day \$64,000 / year
2030	\$68,000 / year	\$190,000 / year

Who pays for long-term care?

Don't assume your Deseret Mutual benefits or government programs will provide for long-term care. Medical insurance pays for acute illnesses and skilled care. Disability insurance replaces part of your income, which is needed to pay daily expenses.

Medicare generally pays for skilled nursing care, but does not pay for non-skilled services needed for activities of daily living. And this care is limited to 100 days or less.

So you must consider long-term care insurance. Let's look at two people, older than 65, who need long-term care. Mrs. Greene's family purchased long-term care insurance to manage this risk. Mr. Blue's family did not.

Mrs. Greene		Mr. Blue	
Medicare	20 days, then some help next 80 days	Medicare	20 days, then some help next 80 days
Long-term Care insurance	\$164,250 Maximum Benefit*	Out-of-pocket	Must use all assets down to \$2,000
Out-of-pocket	If needed	Family savings & assets	Spouse may retain only \$19,050 plus the house**
Family savings & assets	If needed	Medicaid	Welfare benefit

* \$150 daily benefit amount for three years

** The \$19,050 includes all retirement plans, investments, bank accounts, second homes, and so on.

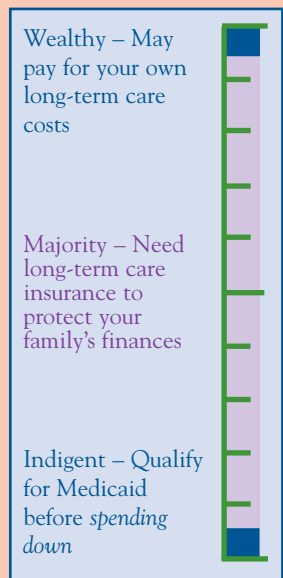
As you can see, Mrs. Greene's family situation is much better than Mr. Blue's family situation.

Consider Medicaid, a form of welfare, only as a last option. Basically you must be at the poverty level to qualify for Medicaid. If you must use Medicaid, you

will need to *spend down* most of your assets and income to the poverty level before you can receive any Medicaid help.

Why do you need this insurance?

Even more than the care itself, long-term care insurance is meant to protect your assets and



income for your family.

If you are independently wealthy, paying for your care may not be a problem. If you are indigent, then the government may take care of you.

But if you are like the majority of people, you must pay for your own long-term care needs, which may cost tens of thousands of dollars. Or you must *spend down* your assets to qualify for Medicaid.

So long-term care insurance protects you and your family from the financial risk of long-term care.

What does long-term care insurance cover?

In addition to nursing home or facility care, long-term care insurance could pay for a live-in caregiver, companion, housekeeper, therapist, or private-duty nurse up to 7 days a week, 24 hours a day. Assisted living may be paid for by long-term care insurance as may adult daycare, respite care, and hospice care.

When should I get long-term care insurance?

As with life insurance, the younger you are, the less expensive long-term care insurance is. And as with life insurance, generally you must be healthy to qualify to get long-term care insurance. Or you may be fortunate to be part of a group plan open enrollment where no health questions are asked.

Especially if you have health concerns or genetic propensities for health problems, consider getting long-term care insurance as soon as your cash flow allows for it.

Terms and Definitions

Activities of Daily Living

List of activities, such as eating and dressing, used in assessing the functional ability of the elderly, mentally ill, and chronically ill

Asset

Any type of property that is either cash or can be turned into cash

Income

All money coming regularly into a household

Medicaid

Federally mandated state medical assistance program

Medicare

Federal health insurance program for aged and disabled

Spend Down

You must use up or *spend down* your personal resources (assets) before you qualify for Medicaid. Rules apply for spending down your resources. If you do not follow the rules, you may be penalized, including losing your Medicaid coverage

Checklist

- Investigate long-term care insurance options, both group and individual policies.
- Go to www.dmba.com to learn about Deseret Mutual's value-added group benefit from MetLife. Or call MetLife toll free at 1-866-414-7076.
- Consider getting long-term care insurance for both you and your spouse.

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