

Long Term Care And The Baby Boomer

The average age of a long term care insurance policy (LTCI) buyer is getting younger. Recent surveys show that the profile of the average purchaser is now around 55, still working, and potentially many years away from needing the benefits that this kind of insurance can offer.

Question: So why now and not later?

Answer: Freedom of Choice; Peace of Mind; and Not Being a Burden.

The Sandwich Generation

As parents are living longer, many baby boomers are finding themselves responsible for their parents' care, either as the care-giver or as the one who has to deal with the care-givers and/or pay the bills. They are experiencing first-hand how hard it is when a parent is no longer able to care for him/herself; and they don't want to place this burden on their children. The Sandwich Generation often faces the choice of the cost of care for aging and infirm parents versus the cost of a child's college education.

Freedom of Choice

LTCI provides freedom of choice about where and how care will be given and relieve children of the worry about how bills will be paid. Choice includes the option of a facility or staying at home with a caregiver and not be dependent upon family or friends; if you don't like a caregiver at home, you can fire him/her. Choice includes receiving the care you need and expect.

Medicaid is Not the Answer

In the next 10-15 years as the Baby Boomers start to age, the need for care will increase severely straining the system affecting the quality of care Medicaid will be able to provide. If you need to go to a nursing home, you can choose and not worry about the restrictions of Medicaid, not finding a bed in a Medicaid facility, or receiving care that does not measure up to your expectations.

Peace of Mind

Current nursing home costs can be \$100,000/year or more; and with life expectancy increasing, you could need care for several years, depleting your retirement income and leaving debt instead of inheritance for your children and grandchildren to remember you by.

Priceless

Today's fifty-something is a smart consumer who understands that by buying a policy now when health is good and age is lower, the premiums will be more affordable. Purchasing coverage now, even if only covering some of the risk, will help to preserve assets later. For example, if your premiums are \$2000/year and you don't use the policy

for 20 years, you've paid \$40,000. But if then you need care at \$100,000/year or more for several years – well you do the math and determine the value of having this coverage.

Other Benefits

There are other options that the Baby Boomer should look at, such as return of premium and "10 pay." Both these options make a policy at a younger age more attractive to a savvy buyer. Is ***Long Term Care Insurance worth the price?*** Consider the value of freedom of choice, peace of mind, and not being a burden.

For more information about your insurance needs and options, email emshrem@verizon.net or call 732-988-7256.