

Issues & ANSWERS

What Does it Cost?

Harry Crosby, Author of Long Term Care Insurance...The Complete Guide

The cost of LTC Insurance is usually the most important issue that people are concerned about. **Unfortunately, there is a common misconception that LTC Insurance is "too expensive."** This is a myth.. **It is often mentioned in the financial press and by people who have not kept up with significant changes in the LTC Insurance industry.** As a result of consumer driven legislation on both State and Federal levels, LTC policies now offer great flexibility in policy design, clearly written and understandable policies, built in consumer protection, generally fair and affordable premiums, and increasing Government scrutiny over premium stability. Keep in mind that you, as the purchaser, have a great deal of control over the premium by the choices you make in benefits and policy design. Each component affects your final premium. **Once the policy is issued, you pay the same premium each year for the life of the policy, unless there is an across the board price increase issued by the insurance company.** You can lower your premium at a later date by reducing your benefits.

Premiums can be paid monthly, quarterly, semi-annually, or annually. The premiums are based on the age when you apply for coverage. An insurance company cannot increase your premiums unless the State Department of Insurance approves the request for a rate increase by that company for all policies in the same class within the state. **The significant factors that affect the cost of LTC Insurance are the age at which you purchase the insurance, your current health condition, the benefit amount and type of coverage you want, and the insurance company you choose.**

- **The age at which you purchase LTC Insurance** has a major impact on the rate you will pay. The younger you are the lower the premium, and the less in total premiums you will pay over the life of the policy. It makes good financial sense to buy a policy as young as possible. Several recent financial publications have recommended purchasing LTC Insurance beginning in your forties. If you think that at some time in your life you will consider Long-Term Care Insurance, find out how much the premium would be today, and what the premium would be if you wait a few years. Then you can make a wise financial decision based on actual numbers. You will never "save money" buy purchasing a policy at a later date.

- **Your health condition when you apply** is a significant factor in whether you can get preferred rates (with discounts up to 20%), and also will determine if you can be approved for an LTC Insurance policy at all. Generally, any severe, chronic, degenerative condition will preclude you from being accepted.

The companies offering LTC Insurance policies vary in their health-underwriting standards. Some are more liberal than others. Some companies offer preferred rates if you are in excellent health, while other companies offer different rate classes for people with certain health conditions.

Selecting a good insurance company depends on several factors. Consider the company's financial ratings by the insurance rating services such as A M. Best, Moody's, Standard & Poors, Fitch (formerly Duff & Phelps), and Weiss Research. These rating services evaluate the financial strength of an insurance company and its claims paying ability.

Regarding the premium, Harry works with his clients on line while they look at the most user friendly software ever created so that when the client makes choices the premiums reflect the cost of the choices on one page instantly. This means that the client is complete control of the premium and options chosen. With the help of the client Harry can design affordable plan for almost anyone with resources who wants to mitigate the cost of long term care in the future. **The annual premium for two people is, more often than not, much less than the cost of one month in a nursing home for one person.** Email Harry@CertifiedSeniorSolutions.com to set up an on line appointment or Call 803-932-2719.

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