



Joe Gahm

Who Should Buy Long Term Care Insurance?

By Joe Gahm, CLTC

The statistics are overwhelmingly convincing that a lot of individuals in the Baby Boomer generation are going to need long term care services in their lifetime. But all the statistical evidence in the world does not mean YOU will ever need this care! Long Term Care Insurance (LTCI) is not about the likelihood of any specific individual ever needing to use it. It is all about THE RISK TO YOU AND YOUR FAMILY'S FINANCES if something does happen! Proper retirement planning needs to account for this eventuality, should it occur. LTCI is all about strengthening your retirement plan, and the peace of mind that comes with achieving a measure of control over one of life's unexpected events.

If you or your spouse have a stroke, a serious accident or develop dementia, Parkinsons or Alzheimers – where do you think you will end up? Someone is going to have to take care of you! And if it's more than a few hours a day, it will most likely be in an Assisted Living Facility or a Skilled Nursing Facility (the new politically correct name for Nursing Home).

Now to the question "Who Should Buy Long Term Care Insurance?" It all comes down to your specific financial situation and your tolerance for risk. For purposes of this discussion, I will split the general population into three groups: **Low Assets, High Assets and Medium Assets.**

Low Assets: This group of people has assets/income at or below the spend-down limitations of the Medicaid rules. An individual qualifying under Medicaid is allowed to have assets of only \$2,500 in Maryland. The spouse of a chronically impaired individual is allowed to keep approximately \$100,000 in joint assets, along with the couple's house, a car and his (or her) pension. People who fall into the Low Asset group can generally qualify for Nursing Home care under Medicaid, and therefore have no financial incentive to purchase LTCI.

High Assets: This group of people, also known as "high net worth people," has assets, not counting their home, of greater than \$2M. They can well afford to pay for three or more years of a Nursing Home stay (\$200,000 - \$400,000/spouse) and still maintain their standard of living. Of course, many of these people will opt to buy insurance to protect their assets.

Medium Assets: This group of people has assets between \$200,000 and \$2M, not

counting their residence. Their assets are particularly at risk if faced with the care costs associated with a chronic illness, injury or dementia. A couple with assets of a million dollars today who are faced with yearly bills of \$70,000 - \$120,000 can not afford to go too many years before the "well" spouse sees his or her retirement slipping away. They could very well find themselves divesting their most valuable assets at the wrong time. Their only option may be a divorce, and a split of their remaining assets - not a very pleasant ending. It doesn't help to realize that in 15-20 years the cost of facility care will likely more than double!

By now, you may be thinking that the problem will be somebody else's, not yours. I challenge you to walk into any Nursing Home or Assisted Living Facility and ask any resident at random if they ever thought they would end up there. How many "yes-es" do you think you will hear?

If you fall into the **Medium Asset group**, I strongly urge you to take a look at this insurance. Many people are surprised at the relatively reasonable cost of LTCI, because they have been led to believe that it is prohibitively expensive. Of course, the cost is highly dependent on your age and health at the time you buy. As a rule of thumb, it is not unreasonable to spend up to 1% of your assets/year, to preserve the remaining 99% for your spouse, in event of an unplanned chronic illness. In most cases, couples I talk to spend much less than 1% of their assets/year on this insurance. Please feel free to call me at (443) 880-2600, anytime, to discuss your specific situation. The discussion is free, and you will not be pressured to buy.

LTCI is available from many of the largest and most reputable insurance companies in the world. This insurance pays for care in your own home, in an Assisted Living Facility of your choosing, or in a Nursing Home. All plans are offered with inflation protection features to protect against the rising cost of health care. An additional benefit of having such a plan in place is that your family will be able to choose from among the wide variety of care options and facilities available in your area at your time of need.

MAGGIE'S MEMO:

Joe Gahm, founder of the DELMARVA LTCI CENTER, has assisted hundreds of older workers and retirees on protecting their hard-earned assets from chronic health issues. After a highly successful business career, a personal experience drew Joe's attention to the financial risk of chronic health issues in retirement. Joe has developed a specialty in working with folks who are rightfully concerned with losing their assets in their later years.

MAGGIE SAYS:

One of Joe's recent customers was quick to tell us that he found Joe to be very professional, thorough, up-to-date and above all, honest. A second related that following her experience with her parents, she went looking for protection for herself and her children. "Joe was very responsive," she told us. "He walked me through everything [until] I had no questions left. I was very pleased. I have since talked to others and Joe's product is still the best as far as price and being the coverage I wanted." Don't wait until it's too late - call Joe at DELMARVA LTCI CENTER, 443-880-2600.



Avoid Mistakes in Buying Long-Term Care Insurance



Provided to you by:
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Certified LTC Specialist

THE DELMARVA
LONG TERM CARE
INSURANCE CENTER

About 10% of people over age 60 have Long Term Care Insurance and more are getting protected everyday. But some didn't get what they thought they got, and others have overpaid. Find out who needs this insurance and how not to over pay!

A Free booklet is available that shows seniors how to determine if they need Long Term Care Insurance, when to get it, how to cut costs, and how to get their premiums refunded if they do not use the insurance.

Call 443-880-2600 to get your FREE copy.

Please leave your name, address, and telephone number.

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