

A gift of care



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Perhaps this year, you should consider a different type of gift for your parents or your spouse – for any special occasion. As we approach retirement age, and definitely during retirement, the possibility of suffering an illness or accident that creates the need for long term care increases tremendously. Research indicates nearly two-thirds of people over age 65 will need long term care at home or through adult

day health care, or care in an assisted living facility or nursing home. And while most of us think of long term care as impacting only those in senior years, 40% of people currently receiving long term care services are ages 18-64. (U.S. Dept. of Health and Human Services 10/08).

In Georgia in 2011, the annual median care costs for a semi-private room in a nursing home was approximately \$58,300 – or about \$160 per day according to Genworth. They reported that even adult day health care runs around \$15,340 annually in Georgia. Very few of us can sustain this level of expense for long without fully depleting our assets.

We are living longer than ever and are now facing the important decision of whether to purchase long-term care insurance. Most people buy this coverage to help protect assets, preserve independence and afford quality care. A growing number of younger people are buying it to help protect their aging parents and ensure they will have the quality of care they deserve should they need it. It might be one of the best gifts you can

give to them.

Who should consider this coverage? In general, long-term care protection makes sense for people with a net worth of \$100,000-\$2 million. Those with less will exhaust their assets and qualify for Medicaid; those with more can possibly fund their own care.

When looking for a policy, you should consider a policy with a lifetime term. Also, look for a daily benefit that would cover the average daily nursing-facility cost in your area. Look for an elimination period (the time before benefits begin) of 90 days, to help lower the cost of the policy.

Remember, this is catastrophic coverage. Most people who need the insurance can afford the cost of care for three months. Having the elimination period lowers your cost – in some cases by as much as 30% per year. Equally important, insist on insurers rated “A” or better by A.M. Best and “strong” by Standard and Poor’s and Moody’s.

A long term care policy is insurance against risk, and does require some medical underwriting to obtain a policy – meaning medical records are checked and usually a routine examination check of your health is done to determine if you are healthy and qualify for a policy. Your current health and habits will determine the pricing level on your policy. This is another reason to consider obtaining a policy now, while you and your loved ones are healthy and able to qualify. If you wait, you may become uninsurable. For any special occasion, give a gift that provides security – a gift of long term care coverage.

If you have further questions about Long Term Care, or would like to discuss a policy that might meet your individual needs, please contact my office at 770.931.1414 to schedule a complimentary consultation.

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