



## *Long Term Care Planning for Women*

By Natalie Karp MBA, CLTC and Rona Loshak MBA, CLTC

Long Term Care is the largest unfunded risk and threatens to disrupt assets, income stream and independence. While women intuitively understand caregiving and the demands of being a caregiver; financial, physical and emotional, many have yet to plan.

Women primarily are concerned about losing independence and burdening our children. On average, women live seven years longer than men—average life expectancy is now 88. Once a person reaches age 80, there is an 80% chance they will need long term care in their lives. As we age, women are more likely to be living alone, on a reduced income, and statistically more likely to be diagnosed with cognitive impairment. Planning for longevity risk is critical.



As independent women, we want choices—who, where and how care is provided. Long Term Care Insurance provides a “separate pool of money” for care. Your LTC pool of money can be used for care in ANY environment—home, independent living facility, community day care programs, CCRC, assisted living, or nursing home. Having a long-term care insurance plan, independent of your retirement nest egg will allow you to maintain lifestyle and legacy commitments.

“Aging in Place” is today’s paradigm—staying home and in the community. Long-term care insurance plans are comprehensive and portable—they pay for care anywhere in the USA (some even worldwide). A well respected Queens elder care attorney highlighted the importance of planning; “Long Term Care Insurance is a Must for Baby Boomers since Medicaid will not be there for them.” USA Today 9/14.

LTC Insurance is customized and can be designed for ANY budget. Plans have flexible options including cash for informal care (reducing care costs). New Life/LTC plans and shared care plans for married or domestic partners (second marriages or live in boyfriends!) offer customized solutions. Long Term Care is a firewall to sibling rivalry and pre-nuptial agreements.

The key is good health.

If you can health qualify—you can plan. On average, 33% of applicants are denied. Therefore, it is critical to lock in your age, health and partner discounts now!

While you do not need to be an Olympic athlete, you need conditions, which are “stable” or “resolved”. Underwriting varies by carrier, each has “sweet spots” for age, health, medications, and lifestyle. The New York Times, Personal Finance section, February 2015 stated it is critical to work with a LTC Insurance specialist since plan designs, pricing and underwriting vary widely...explore the breadth of possibilities to find the right fit.

There are many reasons why it makes financial sense to get educated on long-term care insurance. Leverage, compounding, and significant tax incentives.

Not having a plan is a plan. It is called self-insuring. It is 15x more expensive than shifting the risk.

The self-insure model has two costs: tax consequences when liquidating assets, plus opportunity costs.

And, if you simply allocated resources you would pay in premiums and earmarked it for your LTC savings, you would never reach the dollars needed to fund care in 15, 25, 30 years.

The government is incentivizing us. NY State offers a 20% TAX CREDIT—every year based on your annual premiums. And for business owners or those who itemize medical expenses, there are generous age banded deductions in place.

Timing for women will never be better. Today plans are unisex in pricing. This is changing with the next generation of plans—carriers have filed to raise women’s rates by over 40% (women make over 2/3 of LTC claims).

If you have a family, you love protect them. If you have independence you value, protect yourself.

