

Are You Planning to Self-Finance Your Long-Term Care?



With a solid retirement plan, you're financially prepared for your golden years. However, with increased life expectancy comes a greater risk of needing long-term care at some point, which can pose a serious threat to your savings. If you plan to self-fund these costs, you may be putting your entire retirement at risk.

That's why you should consider developing a long-term care plan.

1 Have a written plan for your long-term care and discuss it with your loved ones.

Your long-term care plan is more than just an insurance contract; it's a written arrangement outlining who will provide your care and how you will pay for it. If you expect your family members to be involved in your care, discuss your wishes with them and make sure they are physically and financially able to be part of your care team. If you decide to fund a long-term care insurance (LTCI) policy, discuss that with your family as well.

2 Plan for the high cost of care, but don't stop there.

The average cost of home health care is currently about $5,000 per month, while nursing home care can run upwards of $9,000 per month. But planning for extended care goes beyond planning for the cost. It involves making tough decisions, such as what agency to use, what level of care you need and how often, and how you will pay for it. On the other hand, many LTCI policies include a care management team to assist you or your family in creating, administering, and evaluating your care plan.

3 Understand the realities of self-financing your long-term care.

While you may have enough assets to self-finance your care when you need it, it's important to understand the realities of this option, including the liquidity of your assets. Self-financing limits the ability of a high-net-worth individual to transfer assets before death to minimize transfer taxes for the family. Additionally, if your investments increase, you will be liable for capital gains taxes. Likewise, if an investment drops, you will not have the option of waiting for it to correct itself. Lastly, consider how this will impact the assets your spouse needs to maintain their retirement or funds that are bequeathed to a charity or family member.

4 The best solution is to secure your financial future by purchasing LTCI.

Long-term care insurance is the best solution for most extended care planning situations, regardless of your net worth. LTCI is an affordable pre-planning tool for individuals looking to secure their financial future and set aside funds for a long-term care need. LTCI provides coverage in the event a person requires professional care and allows for flexibility in choosing the type of care and where care is received.

Rather than self-financing your long-term care, consider purchasing LTCI to secure your finances and achieve peace of mind for both you and your loved ones. **Contact the agent who gave you this flyer to learn more.**

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