



## Money Link: Your Link to saving, protecting and investing \$\$\$

### Put up your guard: Long Term Care Insurance

It's hard to predict what lies ahead. Will medical and technological breakthroughs offer us new ways to prolong our life and youthfulness? Or will an injury or chronic condition limit our ability to live independently? Americans are living longer, by the year 2020 almost one out of six Americans will be 65 or older. Over 40% of 65 year olds will live to age 90 by mid-century.

Only 35% of American workers today can depend on a pension as a main source of income when they retire. Most of us will rely on what we've saved in our 401 (k) plans, IRA's or other retirement plans. No matter how well off you are financially, the cost of long term care could severely impact your life's savings. A long term care (LTC) insurance policy can provide the protection you need. It can also help you retain your independence, even if an accident or illness takes away your ability to care for yourself.

Simply put, buying LTC insurance means that you (and/or your family) can retain the control over your care options, once it is needed. Purchase of comprehensive LTC insurance coverage means the insured will have many options after a disability strikes. Since you will be a private paying person, you will choose where and how to receive care rather than the government. LTC insurance coverage can provide options to give you the choice to stay at home or choose an assisted living facility. Ownership of a LTC insurance

policy ensures that you don't have to depend on your children or other family members for your care.

Purchase of LTC insurance is truly asset protection insurance. Like retirement planning, once this area of potential cost has been provided for, individuals are free to use their available funds for investments, asset accrual, or travel without having to worry about putting money away for the potential devastation of long term care.

Many Americans assume that Medicare will cover the cost of long term care. Private health insurance and disability income coverage do not reimburse these costs. People are forced to pay out of their own pocket to receive treatment for long term care. The two largest sources of payment for long term care expenses are savings and the Medicaid program. Planning in advance is the best strategy to tackle this problem. Because most people have not planned ahead for this expenditure, they often have no other choice than to spend their own savings. You can quickly spend money that took you years to accumulate and have to liquidate assets for which you had other plans.

With new legislation that allows for a Long-term care Partnership Program, you can now purchase a long term care policy and still maintain assets in the amount equal to the benefits you receive from the policy if you should have to apply for assistance through the Medicaid program. This would allow you to maintain money and property that you have worked hard to acquire and want to pass on to your heirs. Without this option individuals would be required to spend down assets to \$2,000 before becoming eligible for Medicaid assistance.

**Article provided by TACT Insurance Agency.** TACT Insurance Agency wants to be your partner in working through the many options that are available to the consumer and guarantee that you have the best benefits for your individual situation. We are committed to providing the plans and service that provide peace of mind when you need it most. Contact Colleen Pruitt at 806-747-7894 to discuss your options.