

Plan for your future

Long-term care



UBS Financial Services Inc.
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Why is this important?

- Seven of 10 people over the age of 65 will need some type of long-term care support during their lifetime.¹
- Almost no long-term care expenses are covered by health insurance.
- Medicare may only cover a person's stay at a skilled nursing facility up to 100 days if they are admitted as a result of a medical event or meet certain criteria.
- Long-term care expenses can quickly deplete an individual's or their family's savings if they do not plan early to afford services like nursing home care and home healthcare.

What do I need to know?

What is long-term care?

- Long-term care includes the services you may need if you are unable to perform two of the six activities of daily living (ADLs).
- ADLs generally include bathing, continence, dressing, eating, toileting and transferring or if you have severe cognitive impairment.
- Long-term care can come in many forms including:
 - In-home care providers.
 - Assisted living facilities.
 - Nursing homes.
 - Private duty nurses.
 - Continuing care retirement communities.

What do you picture for your life and what are your options?

The type of long-term care you may need will depend on your circumstances:

Aging at home

- You may be most comfortable having care provided at your home where you can maintain your independence.
- Keep in mind there could be additional unexpected expenses associated with receiving care at home such as home renovation to accommodate your needs as you age, caregiver training and care coordination.
- You will need to decide if you want to hire a home health aide or rely on family members to provide care.

Assisted Living Facility

- An assisted living facility may be a good option if you need assistance with the activities of daily living and want to maintain a degree of independence without the costs and burden of maintaining a home.
- Unlike a nursing home, these facilities do not provide care for cognitive impairment or other medical conditions that require constant attention.

Nursing Homes

- Consider this option if constant medical care and attention is needed for situations such as dementia or other cognitive impairment.
- Nursing homes typically regulate visiting hours and may have other regulations that may cause there to be a longer transition period before it feels like home.
- Keep in mind that nursing homes can be more expensive than home care or assisted living facilities.

Continuing Care Retirement Communities

- In a continuing care retirement community, you have a range of options for care within one community, ranging from independent living to a nursing home.
- This type of community may be appealing to you if you want to stay in one place as your long-term care needs change.
- Be aware that most communities charge a significant upfront entrance fee and monthly servicing fees.

How do I pay for long-term care?

Self-insuring

- You can use your investible assets to pay for long-term care expenses.
- If you are considering paying for long-term care on your own, you will need to save for this expense.
- Underperformance on your investible assets may impact your ability to pay for long-term care in the future.

Long-term care insurance

- To receive benefits from your long-term care insurance, the insurance company will typically require proof that you are unable to perform two of the activities of daily living from a physician or licensed healthcare practitioner.
- It is most advantageous to purchase long-term care insurance between the ages of 50 – 70. If you are older than 70 years old, it can be harder to get approval and the premiums will be more costly.

It's your decision

Choose the right insurance solution for your needs:

- Traditional long-term care policy.
- Hybrid Linked Benefit Insurance Product.
- Permanent insurance policy with long-term care insurance rider.

Traditional long-term care policy

- Consider a traditional long-term care policy if you would like the lowest annual cost and flexibility with premium payments (monthly, quarterly, etc.).
- Taxpayers in some states may even be eligible for a state income tax credit on long-term care premiums.
- Be aware that premiums may be subject to periodic rate increases, there is no death benefit or return of premium option and a full medical underwriting process will apply.

Hybrid Linked Benefit Insurance Product

- Consider this policy type if you want long-term care coverage that also may provide a death benefit, a return of premiums and a fixed premium schedule.
- You should also consider this solution if you would prefer a less stringent and streamlined medical underwriting process.
- Understand that this type of policy will require larger upfront premiums for a shorter period of time than a traditional long-term care product.

Permanent insurance policy with long-term care rider

- Choose this option if you are looking for a cost-effective method to fulfill both a long-term care and life insurance need.
- These policies are life insurance policies that allow you to access your death benefit to pay for long-term care expenses. Any long-term care benefits used will reduce your death benefit.
- If you do not have a life insurance need, this is not the right option for you. Additionally, long-term care services may be limited and you will be subject to a full medical underwriting process.

What are my next steps?

- Understand what long-term care coverage you have now, if any, through your employer, life insurance, etc.
- Let's discuss incorporating long-term care into your financial plan.
- Discuss with your loved ones your long-term care preferences and how you plan to pay if the need arises.

¹ [longtermcare.gov](https://www.longtermcare.gov).

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