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Whitaker-LaChance Agency
2176 East Centre
Portage, MI 49002
P 269-324-7700
F 269-324-5660
Email:
jwhitaker@whitakerlchance.co
m

22 Things to look for when buying Long-Term Care Insurance

Long-Term Care Insurance

Long Term Care Insurance will be with you for, well, the long term. Avoid surprises down the road. Follow these guidelines when you buy.

- Know from whom you're buying. Be sure to receive a complete copy of the policy before you buy. Get written clarification before you sign up.
- Buy before you're Age 65. The younger you are the lower the cost and the more likely you're in better health to qualify.
- Employer sponsored plans may be better and less costly than on your own. Still, be sure to ask for the policy to read before you buy it.
- Purchase your policy from a reputable and strong financially rated insurance company. They must be around when you need them.
- Get an inflation rider that adjusts the benefit rate when you need it, rather than one that establishes future adjustments at the time of purchase.
- Purchase a policy with level premiums that don't increase with your age.
- Some policies return your premium or portions of your premium to you if you drop or change policies. The cost to include this may or may not be worth it. That's your decision. You should just be aware that some policies offer it.
- Some policies are like "life insurance" policies. Your premium, less any amounts paid out, are returned to your estate if you die before a certain age. Again, this benefit is up to you.
- You want all levels of care covered without having to go into the hospital first. If you're home confined and need care, you don't want a policy that says you needed to be hospitalized first.
- Make sure your policy covers a wide range of providers. If providers are limited, you may suffer because your community may not meet the policy's requirements.
- All policies have waiting periods before benefits begin, like a deductible. You may be better off with a longer waiting period if the trade off is a longer benefit period-try to purchase at least a 6-year benefit period. We live longer and medical care keeps us living longer.
- Purchase a policy that pays the actual cost of services rather than a fixed sum.
- Be sure to study the exclusions. You don't want "senior" diseases, like Alzheimer's excluded. If you can't understand the terminology, get the answer in lay language. (Organically based mental disease is Alzheimer's)
- You don't want pre-existing condition exclusion in your policy.
- If you become disabled, you don't want to pay premiums; called premium waiver.
- See if you can get a premium discount for non-smoking and not living alone.
- If you have an employer sponsored plan, make sure you can take it with you if you leave or your employer goes out of or sells his/her business.
- To protect against policy lapse, try to have your premiums deducted from your payroll or bank account.
- Make sure you know the "grace period." That's the amount of time you have after the premium is due to make sure the insurance company receives its money.
- If you haven't heard of the association or fraternal organization sponsoring the policy, do some additional homework.
- Make sure your policy is guaranteed renewable. The company can't cancel it unless you fail to pay the premium or lied on the application.
- Include a provision that allows you to upgrade your policy without having to prove you're in good health.

Call for your Long-Term Care checkup.