

# You Must Plan for the Potential Costs of Long-Term Care

## Did You Know?

- Estimates for a 65-year-old couple retiring this year will need over \$200,000 to cover their medical costs during their retirement
- Nursing home costs for a private room on Long Island now average \$141,438 annually
- At age 65, projections are that 1 in 2 will require nursing home services for at least 2.5 years!

## Long-Term Care Insurance is a Solution

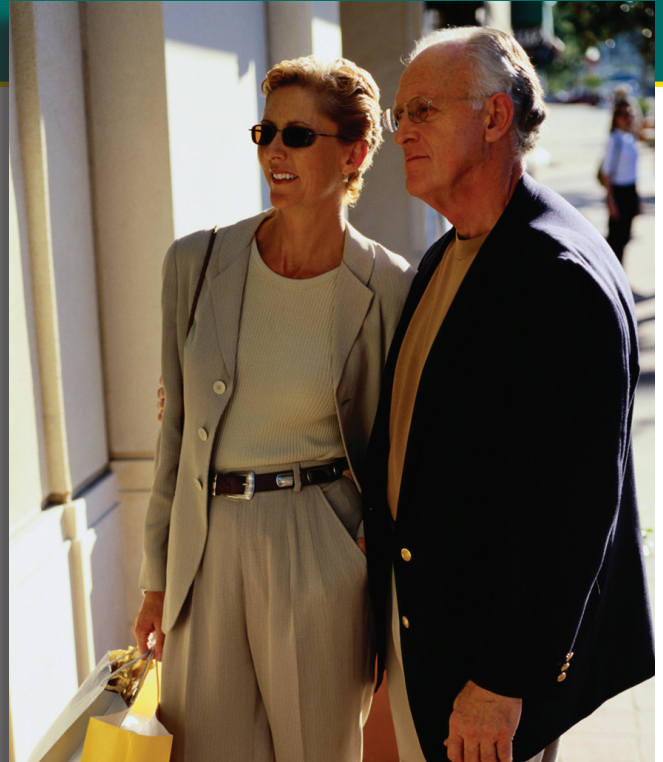
- Why self-insure? Why spend down your retirement assets to fund the costs of long-term care!
- Supplemental health insurance does not cover these costs and Medicare only pays for up to 100 days of nursing home care.

## Impact of Long-Term Care on Retirement Savings

Below is a typical retirement scenario, in which the retired couple needs annual income and now incur a long-term care expense. Look how quickly the nest egg disappears.

Year	Assets at Start of Year	Income Needs	LTC Expense	Investment Yield	Assets at End of Year
1	\$500,000	\$60,000	\$75,000	\$20,000	\$385,000
2	\$385,000	\$61,800	\$78,800	\$15,400	\$259,800
3	\$259,800	\$63,700	\$82,700	\$10,400	\$123,800
4	\$123,800	\$65,600	\$86,900	\$5,000	(\$23,700)
5	(\$23,700)	\$67,500	\$91,200	(\$0)	(\$182,400)

Couple with \$500,000 of assets and one needs care. Income Needs is the portion of household income needs that the assets had been relied upon to provide and assumes annual inflation of 3%. LTC Expenses based on a typical annual cost and is subject to 3% annual inflation. National average of 10 hours of daily care for LTC expense. Investment Yield is assumed at 4% annually after taxes.



## Low-Cost Solution:

### Annual Premium-\$3,000

Married couple, Age 60, Standard  
\$200 Daily Benefit  
90-day elimination period  
Home/Facility Care  
5-year benefit

### Pool of Long-Term Care Benefits

• Individual	\$365,000
• Spouse	\$365,000
Total	\$730,000

For more information, contact: