

Thinking About Self-insuring for Long Term Care? Think Again.

If you have above average wealth, you may feel that you'll have plenty of assets to self-insure yourself and your spouse for long-term care. And that may look true today, but with the skyrocketing inflationary effects on future long-term care costs, you could be in for a huge awakening.

For example, if you have to go into a nursing home in say, 30 years, you could hypothetically spend up to \$600,000 for a three-year stay based on average monthly costs of \$6265 today, increasing at an average 4% rate of inflation.*

And say you had to cover this \$600,000 from a taxable account such as an IRA or 401(k). If you were in a 28% tax bracket, you'd have to withdraw approximately \$830,000 for your three-year stay... or \$23,000 per month. No small change no matter how well off you are.

We all know about the market-related risks of building a retirement fund. But we must also keep in mind the *non-market-related* risk of tapping that hard-earned nest egg for long-term care.

Trying to self-insure yourself for long-term care could also put a road block in your charitable giving plans down the road, for your loved ones or a meaningful legacy to a favorite cause.

But the good news is that you *can* preserve your wealth and manage these risks with long-term care insurance. If you purchase a policy in your fifties or sixties while your health is still good, your premiums will be much lower today than if you wait five or 10 years. The earlier you put a long-term care policy in effect, the more economical it will be for you.

Another advantage you have when you purchase a tax-qualified long-term care policy as an individual is that your policy benefits can be tax-free. And when you're in a higher tax bracket, this can be substantial.

So if you've been thinking about self-insuring for your long-term care, maybe it's time to reconsider and opt for a wiser choice with long-term care insurance. Maybe it's time to take control and manage the potential risk of depleting your wealth for long-term care tomorrow by taking a few prudent steps today.

Give me a call, or drop the reply card in the mail so we can get together and discuss the many possible long-term care solutions for you.

* The average daily cost of a private room in a nursing home in the United States is \$206 per day or \$75,190 annually, according to the annual MetLife Market Survey of Nursing Home & Home Care Costs, conducted by the company's Mature Market Institute®.