

HOW MUCH DO INSURANCE POLICIES PAY FOR LONG-TERM CARE?

1. **The Daily Maximum**

When you buy a policy you choose the amount you want the company to pay for each day of your care. Most companies allow you to select as little as \$50 daily or as much as \$500 daily. When you need care, companies pay the daily benefit you selected or the actual cost, whichever is less.

Selecting the Daily Maximum

Because you will be responsible for all expenses not paid by your insurance policy, you need to decide how much of the daily cost of care you can pay yourself. Estimate the daily cost of long-term care in your community and subtract the amount you can afford to pay for each day of your care.

To help the benefits of your policy keep up with the annual increase in the cost of care due to inflation, every insurer is required to offer you Inflation Protection. While everyone would like to buy Inflation Protection coverage, not everyone can afford to do so. Don't pass up long-term care insurance just because you cannot afford Inflation Protection.

2. **The Maximum Lifetime Benefit**

The approximate number of years you want the policy to pay benefits will determine the Maximum Lifetime Benefit. The longer the period of coverage, the higher the premium. Your Lifetime Maximum Benefit is computed by multiplying the Daily Maximum benefit you select by the approximate number of days you want benefits to be paid.

While everyone would like to buy lifetime coverage or unlimited benefits, not everyone can afford to do so. A policy that pays for a few years can provide valuable coverage, and for some people that will be all they will need. Don't pass up long-term care insurance just because you can't afford lifetime coverage.

Selecting the Maximum Lifetime Benefit

No one can predict how many days or years of long-term care a person will need, or the reason they will require care. Some people can afford lifetime coverage; others have so little money they would quickly qualify for Medicaid. Choosing the right amount of benefit depends on the premium you can afford, and the assets you would otherwise have to spend.