



Now at Lowe's
Get \$100 BACK
 by mail when you purchase both a
 KitchenAid® & KitchenAid®
 Dishwasher & Stand Mixer

LEARN MORE ►

LEGAL DISCLAIMER

KitchenAid
FOR THE WAY IT'S MADE™

LOWE'S
Let's Build Something Together™

[Back to Article](#)
[Click to Print](#)


Thursday, Sep. 04, 2008

Thinking Long Term

By Dan Kadlec

Correction Appended: September 9, 2008

Long-Term care is the kind of financial jargon that puts even actuaries to sleep. It refers to the potentially catastrophic medical costs associated with the in-home care, assisted-living facilities and nursing homes that nearly half of 65-year-olds will need in some measure near the end of their lives. Regular health insurance excludes these expenses, and Medicaid does not pick them up until virtually all your resources have been exhausted. You can easily spend \$300,000 on just two years of care.

To sign up more boomer customers--a generation ripe for coverage but still classically in denial about its age--insurers are echoing the "lifestyle" planning that has been so successful in the mutual-fund industry. Only instead of a fund that automatically shifts to conservative investments as you age, they're providing long-term-care insurance that allows you to start small and add coverage as you near the time in life when you'll most likely need it. Allianz, for example, lets you lock in a good-health discount and make adjustments every five years. With MetLife, you can as much as double your coverage with a phone call.

This flexibility costs extra. But in the past, when there was no ability to adjust, many people simply let their policies lapse after years of paying premiums. So how do you decide what's right for you? Here are some guidelines:

Be aware of your family's health history. If Alzheimer's, stroke or other degenerative illnesses run in your family, you are a prime candidate to buy coverage while in your 50s. Once an ailment surfaces, expect to pay 10% more right away--and that's if you can get coverage at all.

Get the early-bird special. The cost for a healthy 55-year-old buying basic long-term care coverage is around \$1,000 per year. The cost doubles if you stay healthy and start coverage at 65.

Copyright © 2009 Time Inc. All rights reserved. Reproduction in whole or in part without permission is prohibited.

[Privacy Policy](#) | [Add TIME Headlines to your Site](#) | [Contact Us](#) | [Customer Service](#)

Weigh the variables. The things that most affect the price of your policy, in order: age (see above), rate and length of coverage (most policies are from one year to five years), waiting period (benefits typically start after 30 to 90 days of illness) and inflation protection (benefits rise automatically each year).

Shop around. Different carriers have different areas of expertise, and they price coverage accordingly. If you're a diabetic, you'll probably get a better rate at John Hancock than Genworth; if you've had a stroke, you'll probably get a better deal at MedAmerica than John Hancock. So get bids from at least three carriers, and see if long-term-care insurance makes sense for you. The cost of care is only going to get higher.

Want More Money? For more information, visit cnn.com/rightonyourmoney

The original version of this article misstated the average cost for a healthy 55-year-old buying a basic long-term care insurance policy. It should cost around \$1,000 a year, not each month.

 Click to Print

Find this article at:

<http://www.time.com/time/magazine/article/0,9171,1838769,00.html>
