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Long Term Care Insurance Considerations from The National Association of Insurance Commissioners (NAIC)

Investigate long-term care coverage if you don't want to rely on others to support you, and you want flexibility in choosing the type of long-term care services.

Long-term care insurance isn't for everyone. If you are currently receiving Social Security or expect to have minimal or no retirement savings, you will likely qualify for state aid and should not purchase long-term care insurance.

Research individual insurance companies to see whether they have a history of raising rates for long-term care coverage. Check with your state insurance department to learn how your state regulates rate increases.

Check with your financial advisor or accountant for guidance on whether long-term care insurance is appropriate for your specific financial situation. If long-term care insurance is for you, shop around for the most appropriate coverage at the best price.

Make sure you understand what a long-term care insurance policy covers and just as importantly, what it doesn't. Ask questions and make sure the company is reputable and licensed to sell insurance in your state. If you have concerns about a company, contact your state insurance department.

Pre-existing conditions, conditions that you have before you apply for the insurance coverage, may be excluded from coverage. In addition, for some policies, age 60 is a trigger for a rate increase. Thus, it may be beneficial to purchase your policy before your late 50's.

Don't rely on Medicare or Medicaid to cover your long-term care needs. Medicare will usually pay for a small percentage of nursing home costs. Medicaid pays for long-term care services but only if you meet federal poverty guidelines, and the choice of care facilities can be very limited.

Keep in mind that tax breaks are available for qualified long-term care insurance policy premiums. The benefit payments received under such policies are tax-free.

Do not divulge personal financial or medical information over the phone, such as your social security number, your health status, your Medicare status or your private insurance coverage. Don't be fooled by mailings about long-term care insurance that appear to be from an official government source. If you are concerned that someone is trying to trick you, contact your state insurance department.

Be wary of advertising that suggests Medicare is associated with a long-term care policy. Medicare does not endorse nor sell long-term care insurance.