Five Minute Long Term Care Needs Quiz

The following 5-minute analysis can help you determine if private insurance is a sensible option for you.

Do I Need Private Long-Term Care Insurance?

1. What is your net worth? $______________

   Guideline: If your net worth is between $75,000 and $2 million and you're relatively healthy, you're an ideal candidate for long-term care insurance.

2. How old are you?_______

   Guideline: The average age of new applicants is 68. However, the sooner you apply, the easier and less expensive it is to qualify.

3. Do you have heirs or a favorite charity? (circle one) Yes / No

   Guideline: In addition to helping protect your independence, private long-term care insurance protects your assets. So, most people who purchase it do so with the intention of safeguarding a portion of their nest egg to pass on to a loved one or favorite charity, or so a spouse/partner living at home has assets to use.

Am I Eligible?

1. Have you been medically diagnosed as having chronic memory loss, liver cirrhosis, muscular dystrophy, Parkinson's Disease, Alzheimer's Disease, senility or dementia, or multiple strokes? (circle one) Yes / No

2. Do you currently need a walker, wheelchair, oxygen, or kidney dialysis? (Circle one) Yes / No

3. Do you currently need the ongoing assistance or supervision of another person in performing any of the following Activities of Daily Living (ADLs): transferring (getting out of bed or up from a chair), bathing, dressing, toileting (going to the bathroom), continence (controlling your bladder), eating? (Circle one) Yes / No

   Guideline: Unfortunately, a "yes" answer to any part of Questions 1-3 will disqualify you. On the other hand, answering "no" to all three doesn't assure you'll be accepted. The insurer will want to consider your medical history, mental acuity, physical abilities, home environment and social support. IMPORTANT: Most long-term care policies come with a 30-day money-back guarantee. So there's no risk or obligation to find out if you qualify.
How Much Do I Need?

1. What are the costs of long-term care in your area? $__________

*Guideline:* Let’s suppose that the nursing home rates in Washtenaw County for a private room are $160-$245 per day, or $56,960 to $89,425 per year. For a semi-private room the daily rates are $151.50-$197 per day, or $55,299 to $71,905 per year. Non-medical home health care, contracted through an agency, starts at $16 per hour. Most agencies required a two, three or four hour daily minimums. One year of agency provided home health care at $16 per hour, four hours a day, five days a weeks costs $3,328. (Call 734-998-9346 for current nursing home rates and information on non-medical home health care.)

2. How much of the cost of long-term care do you wish to insure? (Circle one) 100%  90%  80%  50%

*Guideline:* It is recommended that you attempt to insure at least 80% to 90% of your potential risk. Also, if you're younger than 75, it is recommended that you purchase an inflation protection option, if you can afford it.

What Type of Coverage Should I Apply For?

1. Which type of coverage would you prefer?
   ___ Nursing-home and home-health care;
   ___ Nursing-home care only; or
   ___ Home-health care only

*Guideline:* Most experts recommend a plan that covers both. However, if you can't afford this, consider a plan that covers nursing-home care only. This represents your greatest financial risk.

2. Do you have family members nearby who could act as a support system in the event you needed assistance? (circle one)
   Yes  /  No

*Guideline:* If so, would they be able to take care of you for an extended period of time and would you want that?
Primary source:
www.ec-online.net/Assistants/ltcq5min.htm

Note: To request a free, personalized quote and a copy of the book “The Insider’s Guide to Long-Term Care”, go to the above web site and at the end of the 5-minute analysis click on “fill out this short form.”

Secondary Sources:
Housing Bureau for Seniors, Nursing Home Guide
www.longtermcareinsurance.org
http://consumerlawpage.com/article/insure/shtml
www.aarp.org/maturity/may_jun00/consumer.html