

SLAUGHTER CREEK REPORTER

Long-Term Care Insurance: Planning for the future

Patrick Watkins-president-Watkins Insurance Group

Reprint May 2009

No one likes to think about relying on long-term care. But, the reality is that any person could fall victim to a disability or need chronic care because of aging.

Over the past five years, the need for long-term care planning has been rapidly accelerating. An influx of baby boomers and an increase in their longevity has opened many people's eyes to the benefits of long-term care services. This type of insurance is crucial to paying for a nursing facility or home care for a long-term illness.

As the United States population continues to age, with the number of elderly expected to climb to 72 million by 2030, baby boomers will soon, if not already, need some form of long-term care plan for their future. Long-term care insurance is a tax-effective way to lift the burden off the family and protect an individual's nest egg when high-cost help with daily life activities is needed.

Although LTC has been available for years, consumers were unaware of its benefits. Today there is greater awareness-- not only of the product, but of the importance it plays in retirement planning. Increasingly, businesses are starting to offer employees (and their dependents) a payroll deduction method of purchasing long term care insurance; however, there is no empirical evidence that employers are helping fund this program (as they are concerned about funding their existing health insurance plan for their employees). Participation is typically low in employer group (or worksite) LTC plans as the employee is required to fund the entire expense while, at the same time, trying to handle the ever increasing health insurance premium increases his employer is passing along to him.