



## Selected Consumer Advice on Long-Term Care Insurance

*Culled from a Variety of Readily-Available Sources*

| Area of Advice   | Suggestion   | Other Considerations   |
|--|--|--|
| <b>At what age should you purchase Policy features</b> | Age 40 and certainly by age 65. (CU)   |  |
| <b>Daily benefit amount</b>                            | Find out what long-term care costs in your area to help determine the base amount. (AARP, NAIC)  | Consumer need not buy insurance that covers the full cost of care since some long-term care is financed by Medicare. (CMS)   |
| <b>Benefit trigger</b>                                 | Limits in two ADLs and that one of the ADLs used in the list should be a limitation in bathing. (CU)<br><br>Be sure that Alzheimer's disease is covered. (NAIC/HIAA) | Eligibility should be certifiable by policyholder's physician rather than someone chosen by the insurance carrier. (AARP)<br><br>Don't buy a policy that requires hospitalization or nursing home care or skilled nursing care in order to begin receiving benefits. (NAIC/HIAA; IMSA)<br><br>Avoid policies that do not cover care received outside of the U.S. (LTCFEDS.COM) |



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|---|--|--|
| <b>Types of services</b>                                      | <p>In-home care and nursing home care should be covered. (AARP)</p> <p>Alternative care facilities, like care at an assisted living facility should be covered. (CU)</p> <p>Personal care and homemaker services (i.e. cooking, shopping) should be an option. (AHCA, NCAL, ElderLawAnswers.com)</p> | <p>Services covered should not be limited to skilled care. (NAIC/HIAA)</p> <p>Home care benefit should include adult day care, hospice services, and respite care. (CU)</p>  |
| <b>Waiting periods (the elimination period or deductible)</b> | 30 days. (CU)  | Buy a policy in which this is applied once, rather than for each episode of care. (AARP)   |
| <b>Length or duration of coverage</b>                         | At least one year. (NAIC/HIAA)   | Four years. (CU)   |
| <b>Inflation protection</b>                                   | <p>Buyers should obtain a policy that automatically increases the benefit amount over time. (AARP)</p> <p>For buyers age 70 or older, 5% annual increases should be sufficient and for younger buyers a compounded 5 percent benefit amount. (NAIC)</p>  | <p>A 65 to 75 year old should consider buying a 6-year or lifetime benefit with simple inflation. Those ages 75 and older should buy a bigger daily benefit for as long a period as they can afford. (ElderLawAnswers.com)</p> |



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|---|---|---|
| <b>Non-forfeiture of benefits, if you should stop paying premiums</b> | Highly recommended. (NYSUT)   | It adds to the cost, but you should consider it. (CU)   |
| <b>Waiver of premiums while receiving benefits</b>                    | Yes. (NYSUT)  | Make sure there are no restrictions while receiving benefits. (HIAA)  |
| <b>Other provisions</b>   | Find a policy that provides an ability to increase or decrease coverage. (NYSUT)                                      | The right to change the benefit should be guaranteed without providing evidence of insurability. (NAIC/HIAA)  |
| <b>How much should you spend on long-term care insurance?</b>         | No more than 7 percent of annual income. (USHC)<br><br>Not more than 5 to 10 percent of income. (ElderLawAnswers.com) | If the premium is a concern, it is better to purchase a 2-year policy with inflation protection than a longer term policy without inflation protection. (CMS)<br><br>Check with your state's insurance department to learn how rate increases are regulated. (NAIC) |



Pierce County  
**Aging & Disability Resource Center**

| <b>Area of Advice</b>                | <b>Suggestion</b>  | <b>Other Considerations</b>                                |
|--------------------------------------|--|--|
| <b>Financial strength of insurer</b> | Rated in one of the top two categories by at least two rating services (such as A.M. Best, Moody’s Investor Services, Fitch Ratings, or Standard & Poor’s) and have no low ratings.<br>(NYSUT) | Weiss financial safety rating of at least a B+. (CU)       |
| <b>Insurer reputation</b>            | Insurance company is a member of the Insurance Marketplace Standards Association.  |  |
| <b>Agent commission</b>              | Consumers should know how their agent is paid.<br>(CU)   | Be sure the commission amount is within reason.<br>(NYSUT) |

*Abbreviations/ Resources:*

- AARP
- ACLI – American Council of Life Insurers
- AHCA – American Health Care Association
- AHIP – America’s Health Insurance Plans (Same as HIIA)
- CAHICAP – California Health Advocates (CA HICAP Association)
- CMS – Centers for Medicare and Medicaid Services
- CU – Consumers Union
- HIAA – Health Insurance Association of America (Same as AHIP)
- IMSA – Insurance Marketplace Standards Association
- NAHU – National Association of Health Underwriters
- NAIC – National Association of Insurance Commissioners
- NCAL – National Center for Assisted Living
- NYSUT – New York State United Teachers
- OPM - Office of Personnel Management
- USHC - United Seniors Health Cooperative
- [www.ElderLawAnswers.com](http://www.ElderLawAnswers.com)
- [www.Itcfeds.com](http://www.Itcfeds.com) – Office of Personnel Management

*Source: Choosing a Long-Term Care Insurance Policy: Understanding and Improving the Process, Robert B. Friedland and Stephanie E. Lewis; Center on an Aging Society, Health Policy Institute, Georgetown University.*

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