

## **HERE IS ALL YOU NEED TO KNOW ABOUT LONG TERM CARE INSURANCE**

- When people stop working they become entirely **dependent** upon the **unearned** income from their savings and investment portfolios.
- When they need long term health care – and there is no insurance to pay for it – income has to be **redirected** to pay the costs of care leaving them with only two choices:
  1. **Live on less** and experience a **reduced** lifestyle for themselves and their families **or**
  2. **Liquidate** assets to pay their care costs, to maintain their pre-care lifestyle, with these possible **consequences**:
    - **Additional** taxes may be incurred when assets are sold at a profit, or distributions are made from qualified or nonqualified retirement plans.
    - Assets may have to be sold at a **loss**.
    - Assets earmarked for their families' financial security – including inheritance and estate plans – will be **reduced**.
    - The costs for care could **consume** the value of the families accumulated assets and they might be left with nothing.
- If you **don't** own long term care insurance, and you or a family member needs care, your family will have to **choose** between living on **less** or **liquidating** assets.
- If you **do** own long term care insurance you can be assured that:
  1. If you or a family member **needs** care the insurance company will **pay** the costs so your family can **maintain** its standard of living and **preserve** its assets.
  2. If you **don't** need care the insurance company will **refund** your premiums to your family at your death.
  3. **Tax subsidies** may pay a substantial amount of your premiums.