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# Long-Term Care: Know Your Options

By Jeffrey Wasserman



Given current tax laws, fewer families are concerned about paying a large estate tax upon death. Because of this, the planning focus has shifted from estate tax planning to estate preservation.

The cost of long-term care is skyrocketing, and with people living longer, the cost of care can be a drain on family wealth. A private room in a nursing home facility is projected to cost more than \$170,000 per year in 20 years, which has many individuals in their 40s and 50s very concerned.

The traditional Long-Term Care Insurance policies that were available in the 1990s and 2000s did not have guaranteed premiums. Most people who bought these policies have seen premium increases of over 100%, which is why most insurance carriers have exited the long-term care market all together.

For those who are considering the purchase of Long-Term Care Insurance there are a few things to know. First, if you are considering a traditional Long-Term Care Insurance policy, be aware, premiums are not guaranteed and like their predecessors premiums can increase.

The second thing to know is that there are alternatives to traditional Long-Term Care Insurance that offer rates guaranteed to never increase. One is Life Insurance with a Long-Term Care Rider. These are permanent Life Insurance policies that allow the insured to take an advance of the death benefit to pay for qualified Long-Term Care expenses.

Another Long-Term Insurance alternative acts more like an annuity in that a lump sum is placed with an insurance carrier, in return the insured has a cash balance, a long-term care benefit and a death benefit that pays if the long-term care benefit is never used.

These newer hybrid Long-Term Care products offer clients flexibility and other benefits that work well with traditional estate preservation or wealth transfer plans.

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