

'Retirement Resource Management' For Today's Independent Seniors

*'Helping Today's Seniors To...
Keep Their Independence & Dignity'*

Here are few ways you'll benefit, by meeting with us;

- Protect your life savings, independence and dignity from catastrophic illness and nursing home expense - with and without insurance.
 - Keep your state of residence from inheriting your assets.
 - Protect your assets from lawsuits, predators, opportunists and **PROBATE**.
 - Discover the little known, proven strategies to maximize your income with safety and guarantees!
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'Retirement Resource Management Group'

"Protect What's Really Important"

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'Retirement Resource Management'
For Today's Independent Seniors

Presents

*The Truth About
Long-Term Care*

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Sen. Larry Craig (R-ID),

"As we in Congress work on things the government needs to do to address long-term care financing problems, I encourage the public to examine their own long-term care needs and consider purchasing their own, private, long-term care insurance. Personally purchased private long-term care insurance may be one of the nation's best hopes."

Sen. Sen. John Breaux (D-La.),

"Our series of hearings illuminated the fractured way we currently address the nation's long-term care needs, costing billions of dollars for minimal benefit to American families. The potential solutions we heard today are welcome steps to confront this crisis head-on, and provide meaningful relief to those confronting long-term care problems each and every day."

Introduction

Given today's new tax laws, people living longer in retirement, inflation and the volatility of the stock market, many retirees are worried about the real possibility of spending most of their assets for **long-term care**.

This booklet is intended to provide our friends, family, and clients with an overview of the information they need to understand the problem and understand that there are real and effective solutions.

While there are a number of different ways retirees approach their long-term care needs at retirement, we have found that they have the following common concerns.

Common Concerns of Retirees

- **Protect Assets** - They don't know how long they're going to need care for, and they don't want to run out of money.
- **Avoid Dependence** - They want to make sure their friends and family are not responsible for their care later in life.
- **Freedom of Choice** - No one likes to be told where and how the care will be provided.
- **Preserve Financial Independence** - As the cost of care increases, they want their coverage to increase.

Our goal is to help people to have a clearer understanding of the long-term care problem and their choices. Then provide them with improved solutions while protecting their assets.

Understanding Long-Term Care...

Most People think Long-Term Care refers to Nursing Home Care for elderly individuals.

While it's true that nursing home care qualifies as long-term care, that's only part of the picture.

Long-term care encompasses a wide range of services when people cannot care for themselves. It is the type of care you or someone in your family may need with a long-term physical illness or injury. This type of care should not be confused with conventional medical care.

Long-term care ranges from providing personal care at home to full-time care in a facility, depending on the amount of help needed with activities of daily living (ADLs). These activities include: bathing, continence, dressing, transferring, toileting, and eating, or substantial supervision due to a cognitive impairment.

There are three levels of care...

- 1. Skilled Care** - typically provided by a doctor, RN, or a similar professional for the most severe levels of an illness and normally 24 hr. care, and for shorter periods of care such as rehabilitation.
- 2. Intermediate Care** - Similar to Skilled Care except not provided daily because you are considered to be stabilized. The care generally runs for longer periods of time. This type of care can run months.
- 3. Custodial Care** - This care is required to help with the ADLs and would be administered by unskilled nurses. However, it is the most common use of care. This type of care can last for years.

What Are People Saying About The Long-Term Care Crisis?

FirstGov For Seniors web site:

"It makes me upset when I hear parents saying, "I don't want to be a burden to my children, I am taking care of everything."

"...the idea of losing total independence...would be one of the hardest things for me to overcome."

"It worries me because I know one day I'm going to have to go through it... but I'm just wondering who's going to be there for me?"

"Families, who are the primary caregivers for people with long-term care needs, pay a big price for this care. Although it is difficult to quantify, one study found that the economic value of care giving for families ranges from \$4,800 to \$10,400 per caregiver."

The Looming Crisis (American Health Care Association)

"The baby boom generation—those born between 1946 and 1964—is uniquely affected by the growing dilemma of long term health care. As boomers age and expect to rely on a financing system established by the government, that system threatens to deteriorate and collapse under the unprecedented number of baby boomers who will need long-term care."

"Baby boomers are at a precarious crossroads. Many are 'sandwiched'—forced to balance paying for their children's college education while meeting the long-term health needs of an elderly parent."

‘Retirement Resource Management’

‘Where Your Dreams Become Reality’



Dear Friend,

I'd like to take a few minutes of your time to introduce myself to you. My name is Lew Nason, President & Founder of *Retirement Resource Management Group*. We specialize in helping people to maximize their investment growth, while minimizing risk and income taxes.

In working with retirees, we have discovered that many retirees are not enjoying their retirement years as much as they could or should be. They are holding back because of the fear of outliving their money. It's a very real and valid concern.

We understand. We believe we can help put your mind at ease, with some simple proven money management strategies.

Whether you are already retired, or you are planning to retire soon, wouldn't it make sense to position your money; to **minimize your income taxes** and **maximize your income potential for the future?**

Please, give us a call if you would like more information about how **you can have the retirement you have always dreamed of**. The only cost or obligation to you, is a little bit of your time.

Sincerely,

Lew Nason

Lewis B. Nason

P.S. I'm confident that you'll find the time we spend together very profitable. However, if when we're done, you feel that I've wasted your time, I'll write you a check for \$50 right then and there. Could anything be more fair?

Who Pays For Long-Term Care?

The Answer is very simple...

It comes from your savings: cash, stocks, bonds, mutual funds etc. And, in many cases it comes indirectly from family and friends in the form of lost wages. Most caregivers are employed and are forced to miss work to provide care for a loved one. (AARP)

Most **Health Insurance** DOES NOT COVER the cost of Long-Term Care.

Medicare DOES NOT offer a benefit for custodial care. Medicare does, however, offer up to 100 days of skilled care, but, only with a 3 day prior hospital stay. Medicare covers days 1-20; however, there is a daily copay of \$128.00 (year 2008, increases every January 1) from days 21-100. There is no Medicare payment available after Day 100 under any circumstances. Medicare also provides home care on a very limited basis (See publication CMS 10969) for details.

Medicaid is available. However, there are very strict guidelines, and it is usually for the most impoverished. While there are ways to qualify for Medicaid, most people do not like the requirements and therefore choose not to apply. If you want to know more about Medicaid planning, we do offer a free consultation on some of the strategies that have been used in the past.

It is very important for you and your family to discuss your options and thoroughly review your insurance, Medicare and Medicaid benefits. And, see a Long-Term Care specialist to review your particular situation.

What About Medicaid Planning?

Medicaid generally only covers Long-Term Care after people are impoverished.

Medicaid is welfare and limits the number of choices people can make about their care. Congress is continually strengthening the laws to prohibit people from giving away or protecting their assets in order to qualify for long-term care.

What Are The Odds I Will Need Long-Term Care?

Before you disregard the need, consider the studies from a couple of sources...

1. After age 65, almost half of all Americans will spend time in a nursing home. #1
2. The average nursing home stay is about **3 years**. #2
3. 5% of all Americans over the age of 65 are in nursing homes. #1
4. Almost 75% will need some home care. #1
5. National Averages today are about \$206/day or just over \$75,000 a year! #7
6. The Average Hourly Rate for Home Health Care is \$25.32 or \$32,916 annually based on only 5 hours per day and 5 days a week (13% higher than 2005) #3

So, What's The Next Step?

Let me ask you, is it worth 20 minutes or so of your time, to see if a Long Term Care Insurance Policy is right for you?

There is no risk, no fees and no obligation.

You have nothing to lose and everything to gain.

But, I Already Have An Advisor:

Many of the people we have helped do have a stockbroker, accountant, insurance agent, or friend who has guided them in their financial matters. Unfortunately, while these individuals were well intentioned, they generally had a narrow view of the problems and solutions. The advice they gave was based mainly on their area of expertise, what they were selling, and what has worked for them personally.

Unfortunately, what worked for them, in many cases, was not the best solution for the people they were trying to help in the retirement years.

What Do We Charge?

All our initial consultations are free. There is never a cost or obligation to you.

Our Guarantee...

It's very simple. We do all the work. We'll review your situation and make our recommendations to you. Then it's up to you to make the decision to do business with us.

Seriously, call us. It could be the single

**best and most important decision
you'll make this year.**

Summary...

Does your financial portfolio include a Long-Term Care Insurance policy? It probably should. You've insured your home, your health, your car, even your life. And you've carefully planned your savings and your investments. But all of your plans could be wasted if you or your spouse need long-term care.

Chances are greater than 50% that each of us will require extended care at home or in a nursing home. Surveys continue to show that one out of four caregivers provide care for five years or more, and that over 15% of nursing home patients stay longer than five years.

The average cost of a nursing home is over \$75,000 a year for room and board, plus drugs and care-related supplies. At that rate, it doesn't take long to wipe out a family's assets!

The odds are much higher that home care will be needed more than nursing home care since 85% of long-term care occurs at home or in the community. At an average cost of about \$25 per hour, home care can cost you much more than nursing home care.

Home, community-based care and nursing home care represent the largest out-of-pocket expenses facing older Americans. Long-term care is the only major health care expense that is not covered by conventional group or individual health insurance, including HMOs, ***nor is it covered by Medicare or Medicare supplements.***

And surprisingly, 40% of those receiving long-term care are working-age adults ages 18-64 due to accidents, strokes, brain injuries or tumors, mental conditions, AIDS, multiple sclerosis, muscular dystrophy, etc., and even early-onset of Alzheimer's and Parkinson's disease.

What Are The Odds?

Let's consider some other odds...

1. What are the odds that you'll experience a fire in your home, severe enough to have the fire department respond? #4

About 1 in 150

2. What are the odds that you'll be involved in a major auto accident? #5

About 1 in 87

3. What are the odds that you'll require being admitted to the hospital for an illness or injury? #6

About 1 in 10

4. Again the odds after age 65 for spending time in a nursing home would be almost 50%. #1

About 1 in 2

#1 Alecxih 1997a

#2 Business Week 2007 www.businessweek.com

#3 Genworth Financial 2006, The cost of care varies widely based on geographic location.

#4 NFPA Fire Loss in the United States during 1998, Sept 1999

#5 National Safety Council, Accident Facts 1998-motor vehicle accidents of 1997

#6 US Department of Health and Human Services, Health Statistics, 1998

#7 MetLife Market Survey of Nursing Home and Home Care Costs, 2006. www.metlife.com

Why Do People Buy Long-Term Care Insurance?

To Avoid Depending On Others For Their Care...

To Enable Them To Choose The Long-Term Care Services They Want, If They Ever Need Them...

To Protect Their Savings And Assets For Their Spouse And Family...

To Avoid Welfare...

To Leave An Estate To Their Heirs...

Because The Government Will Not Provide The Care They May Need In The Future...

Impact Of Long-Term Care Insurance On Caregivers...

About two-in-three caregivers indicated that the presence of insurance-financed formal care has reduced their general stress level...

About half (47%) indicated that in the absence of the private insurance to pay for home care services, the care receiver would have to seek institutional alternatives...

Long-Term Care Insurance provides you with the freedom to choose the setting for your care, plus the peace of mind of knowing that you will receive quality care and services.

I'll Never Go Into A Nursing Home!

This is most common reason people give for not wanting to buy a Long-Term Care Insurance Policy! However, does this statement really make sense? Let's look at the possible need for long-term care with a little less emotion and a little more logic.

Advances in medical technology and changes in lifestyle have resulted in our living longer than any previous generation. This lengthening of our lifespan also means we are more likely to require some form of assistance with walking, bathing, dressing or eating, commonly referred to as Activities of Daily Living. This assistance, which may last a few weeks, months or several years, has become known as long-term care.

While none of us wants to go into a nursing home, is it realistic that our loving elderly spouse or our caring family will be able to give us the care we will require? Will our family be able to afford to take the time off from work or afford to pay for a professional to take care of us? In most cases, taking care of a loved one at home is a very expensive proposition that only the very wealthy can afford.

When an individual needs a lot of professional care, the family is forced to turn to the government for help. The **ONLY** place the government will help is in a Medicaid-Approved Nursing Home. With the benefits of Long-Term Care Insurance, it is possible for our family to pay for the professional help needed to keep us at home.

A Long-Term Care Insurance Policy may be the **ONLY** thing that will keep us **OUT** of a nursing home.

We can help you find the best LTC insurance policy to fit your needs and your budget.

When Should I Buy Long-Term Care Insurance?

The younger you are, the better the rates...

Every year you procrastinate, the more costly it becomes. Plus, your health conditions will generally not improve with age, which can add to the overall cost or can even make you uninsurable if you become ill or disabled.

If you invest in a policy when you are younger and add an inflation protection benefit to the policy, you could have some very favorable conditions throughout retirement. Adding a return-of-premium feature can make the overall cost very low because insurance companies will write a check back to you after a period of time, usually in 7-10 years, which will reduce the cost substantially.

Insurance Ratings:

Before you invest in a policy, you will want to get some ratings from a few reliable resources. Whoever you buy from, ask them for a recent report; it can save you some money and time.

1. Best Rating Service 900-439-2200 (fee for call)
2. Weiss Ratings Service 1-800-289-9222 (fee for report)
3. Demotech 1-800-354-7207
4. Standard and Poor's 1-800-289-9222

Having a Long-Term Care Insurance policy is a comforting feeling.

Who Should Buy Long-Term Care Insurance?

Unfortunately, nobody knows if they will need Long-Term Care or for how long. If you can comfortably afford the premiums, meaning it will not take food off of the table, or your current living expenses will not be compromised, then you should consider it.

1. The first thing to do is add your assets and subtract your liabilities.
2. Then look at your annual income.

If your cash assets, not including your home or automobiles (stocks, bonds, mutual funds, CDs annuities) total over \$75,000 #1

AND

Your annual income is over \$25,000 per person in the household. #1

Then you should consider investing in Long-Term Care Insurance.

Other factors to consider would be your age, as the cost of Long-Term Care Insurance will be substantially higher for an elderly person. Your current health condition also plays a roll in determining cost, as do the options as part of a policy, which we will discuss next.

You should not buy if you can't afford the premiums and your only source of income is Social Security or SSI.

#1 United Seniors Health Council 2001

How Much Does Long-Term Care Insurance Cost?

There are generally 5 items to consider before a quote can be generated:

- 1. Nursing Home Benefit Period** - most policies offer a 2-yr, 3-yr, 4-yr, 5-yr, or a lifetime benefit period. The cost rises with the time the insurance company would be required to pay benefits.
- 2. Daily Benefit** - is the amount you want the insurance company to pay on a daily basis. The National Average is \$206/day, currently.
- 3. Home Health Care** - this would provide care in your home for the daily dollar amount selected. Just like above, you would need to determine the benefit period and at what percentage of your daily benefit would you want home care to pay you;. ie, if your daily nursing home benefit is \$100 per day and your home health care is 50% of that, your home health care benefit would be \$50.00. You can select up to 100%. **A word of caution**, although this is the most desirable place for care, it can be very expensive for 24-hour care, as the National Average cost is \$25.32 per hour. If you have a \$100.00 per day benefit, this would only allow for 3 to 5 hours a day to have care in your own home.
- 4. Elimination Period** - this is basically a deductible period that you would be responsible for before benefits would be payable. A close example would be your care insurance deductible—the higher the deductible the more you save on premiums. Common periods are 0, 30, 60, 90, 180 days.
- 5. Inflation Protection** - the cost of care rises each year and therefore, you may want to consider a **daily benefit** that would rise each year also. You will have 2 choices:

(A) Simple Inflation increases your original daily benefit at a certain percentage each year.

(B) Compound Inflation increases your daily benefit at a compounded rate. The compounded rate is the more costly of the two as it would pay more in benefits.

Summary of the choices when pricing a policy

Nursing Home Benefit Period 2 - 5 years or lifetime

Daily Benefit— \$_____

Home Health Care Benefit Period 2 - 5 years or lifetime

Daily Benefit— \$_____

Elimination Period- 0, 30, 60, 90, 180 Days

Inflation Protection- Simple / Compound

Disclaimer

This information is provided for general informational purposes only. It is recommended that you speak with your Long-Term Care specialist who will explain the policies features and benefits.

The Health Insurance Association of America currently shows nearly 1 out of 2 people turning age 65 will spend time in a Nursing Facility.

Furthermore, nearly 3 out of 4 of the same group will require care at home.