



5 Tips to find Affordable Long-Term Care Insurance

Years from now many baby boomers will need help with the daily stuff of life — like mobility, eating, bathing, dressing, or remembering to take medication.

Medicare doesn't pay for help with these "custodial care" tasks, except in limited circumstances. Long-term care insurance does. Medicaid may, but that means first spending down your assets and living in a welfare-run nursing home wherever there is an opening.

Yet faced with the coverage costs, many long-term care insurance shoppers get sticker shock and give up. Here's how to keep the price affordable.

1. Buy sooner rather than later

"The key to long-term care insurance is to apply early while it's inexpensive," says Kevin M. Lynch, insurance instructor at the American College of Financial Services in King of Prussia, Pennsylvania.

The most important thing is to get a plan in place before you have an unexpected health change that prevents you from getting coverage at all.

2. Start with a budget

Decide what you're comfortable spending for coverage and ask the insurance agent for quotes that fit your budget. Get a policy that won't be a "struggle" to pay.

3. Plan realistically

Among 65-year-olds, 70% will require long-term care services, according to 2020 data from the Administration for Community Living, part of the U.S. Department of Health and Human Services.

But few folks want to think about that. Usually what pops into people's minds is the dreaded nursing home. Yet most long-term care is provided at home, according to the HHS.

It's best to get enough coverage to pay for home health care for a few years. The average annual cost of a full-time home health aide is \$54,912, compared with \$93,072 for a semiprivate nursing home room, according to the Genworth 2020 Cost of Care Survey.



Most long-term care insurance policies pay for care at home, in assisted living or a nursing home. So, if you buy enough to pay for home health care, but instead go to a nursing home, the policy will absolutely come in handy because it will supplement nursing home costs.

4. Go for a simple vs. souped-up policy

Ask for quotes for good, better, and best coverage from each company to see costs at different levels. Avoid an all-or-nothing approach when buying long-term care insurance. Sometimes people look to insuring 100% of the cost of the care. Instead, think about the costs you can handle, and what you need to insure.

5. Work with an independent agent

Prices vary by insurer for the same amount of coverage. Work with an agent who can sell, not just quote — policies from different carriers, Slome says. A good agent will know which companies will more than likely accept you for coverage based on your health and give you the lowest price. One such agent is Peggy Fields, Licensed Long-Term Care Consultant.

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