

Should I invest what I would pay in premiums instead of buying long-term care insurance?

If you're under 55, you might think that the likelihood of long-term care is many years in the future, you could invest the money you might otherwise spend for long-term care insurance premiums. That way, if you do need long-term care, you could just draw upon that investment, and if not, you'd have money for your heirs, for a charitable donation, or for your own needs.

But this strategy leaves you vulnerable if you need long-term care services in your late 50s, 60s, or early 70s. And it might also leave you vulnerable if you need these services for a long time, even if you don't need assistance until you're in your 80s. Here's why:

- Assume you're 55 and won't need long-term care for 30 years, when you're 85.
- Assume you save \$2,000 per year, that you invest the savings, and that your investment grows at 5% per year. After 30 years, your savings will have grown to \$139,500.
- Assume today's monthly cost of nursing home care grows, due to inflation, by 5% per year, from \$7,000 per month now to \$28,800 per month in the future.

At that time—that is, when you're 85—if all these assumptions come true, your savings would be able to pay for *less than three months* of extended care; if you need more money—say, because the cost of services for long-term care grew faster than 5% per year or your investments earned less than 5% then you would have to liquidate other assets that you hadn't planned to liquidate...if you have them.

Plus, that's just for three months. Whether it be in your own home, assisted living, or in a skilled nursing facility; you should plan for much longer than that.

Of course, there's always the taxes you have to pay on your investments. Also, you may not qualify for long-term care insurance due to a health condition. All things being considered, long-term care insurance is probably a prudent buy.

If you would like to receive a personalized quote, please contact:

Peggy Fields, Senior Consultant, Long-Term Care Planning
Text: 704-839-1158 - Email: peggy.fields@acsiapartners.com
Website: <https://peggyfields.acsiapartners.com/>
Schedule a call here: <https://calendly.com/pegfields/call>



ACSIA Partners is the largest Long-Term Care insurance agency in the US with over 50 years of experience offering top-rated insurance companies. LTC Partnership Certified in Multiple States - in CA xACSIA Partners Insurance Agency LLC. Lic: 4175824