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**WORLD CLASS
AGENCY**

INSURANCE • DISABILITY • ANNUITY • MEDICARE • HEALTHCARE • LIVE SCAN
LOAN SIGNING • NOTARY • LONG TERM CARE

Long Term Care

What matters most?

As you get older, there is a chance you will need help with life's daily activities. If that should happen, what is your biggest concern... ensuring you will not have to rely on your own family... staying in your home if possible... protecting your retirement nest egg?

The need for long-term care has the potential to impact the connections to all the things you hold dear.

- Your family – The connections you have with family members may be impacted when a spouse or child must take on the role of caregiver.
- Your home – The connection you have to your home may dissolve when you can no longer manage there by yourself.
- Your nest egg – The connection to your nest egg may be weakened when the assets you worked a lifetime to accumulate must be used to pay for long-term care services.

How to Stay Connected

A long-term care insurance policy may help keep connections strong. As part of your overall plan for retirement, it may help you pay for a portion of the care you need, reducing the amount you would have to pay out-of-pocket for long term care services. And the means you may be able to strengthen your connections to family, home, and nest egg by:

- Supplementing the help, you receive from family members with professional caregiving services.
- Getting the long-term care services, you need in the comfort of our own home.
- Protecting your retirement assets from being depleted by supplementing your out-of-pocket costs with the benefits of a long-term care insurance policy.

Contact me today to learn how adding a long-term care insurance policy to your retirement plan can help strengthen the connections to the things that matter most. I will be happy to answer your questions and help you assess your long-term care needs. And as always, there is no cost or obligation to buy.

The Primary Components of LTCI Plan Design

Daily/Monthly and Home Health Care: Typically, we recommend the monthly benefit the 100% of the prevailing daily long-term care cost in your client's area. Usually, the dollar amount available for Home Health Care is determined by selecting a percentage of the daily/monthly benefit amount for Nursing Home coverage (e.g., 50%, 75%, or 100% of NH benefit). If your client prefers to receive care at home (when feasible), we recommend selecting a Home Health Care benefit that is 100% of the daily nursing home benefit. If cost is a concern, choosing a Home Health Care benefit of 50% of the selected daily benefit will lower the cost of the premium. If your clients choose to "cost-share" this risk (self-insure a portion of the expected cost) they might consider less than 100% of the prevailing cost in their area.

Benefit Periods

The benefit period is the amount of time benefits are paid. For Integrated Policies (Policies that cover all forms of continuing care, from home health care to nursing home care and hospice)

- Average benefit period being sold is between 3-6 years. If there is a family history of Alzheimer's, consider a longer benefit period.

Inflation Protection

Health care costs are rising at an alarming rate, so it is extremely important to consider building inflation protection into the policy. The following are basic guidelines for the type of inflation protection generally used at different ages.

Ages 18-60 - Compound

Available at 3, 4, 5%, or linked to the Consumer Price Index (CPI) in which the total pool of money will increase by the chosen amount on an annual compounded basis.

Ages 61-75 – Simple, some forms of inflation

Available at 5%, the total pool of money will increase by the chosen amount on an annual simple basis, or compound (see above).

Ages 76 and older – Consider Higher Daily Benefit

Guaranteed Purchase Option (GPO) – also available is the GPO which offers the opportunity to increase the benefit amount by 5%, 10%, or 15% every few years. It gives the opportunity to change to 5% compound at age 65 without evidence of insurability.

Each of our carriers have one or more unique inflation option geared towards a more affordable premium and for younger clients. We will be happy to discuss these options with you.

Elimination Periods

The elimination period is the "waiting period" before benefits be paid. Compare the differences in cost between a short elimination period and a longer elimination period and assess your client's ability to pay for their care during this time. We suggest you and your client take into consideration the future out of pocket cost for the selected time. Elimination period options include 30, 60, 90, 180 days, and in some cases 365 days.

Calculating the Premiums

To determine the most cost-effective policy (the best value), it is necessary to provide an “apples to apples” comparison of benefits. Base your comparison on the following factors:

- The daily benefit selected.
- The benefit period, i.e., 2 years, 5 years, Lifetime
- The amount for Home Health Care
- The selected elimination periods.
- The selected inflation protection option
- Eligible discounts, i.e., spousal, group
- The underwriting level, i.e., preferred vs standard vs sub-standard
- Non-forfeiture and other riders

Please note: The applicant's state of residence can also.