

## *Long-term care insurance: A benefit employees will need*

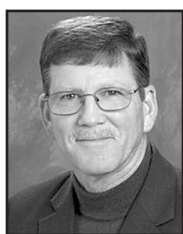
During the past century, advances in medical science and improvements in living standards have dramatically increased the average life expectancy. Most of us are able to look forward to a long old age.

However, each of us needs to realize that the older we get the more likely we are to need home health care, nursing home care or some other form of long-term care assistance. The question is how will we pay for it?

Many Americans believe that Medicare, the federal health benefits program for the elderly, will cover the costs of long-term care. It won't. Nor will Medicare supplement insurance or regular health insurance. Medicaid, the government program for the poor, pays for long-term care, but only if a person is willing to first spend the assets accumulated over a lifetime and become indigent.

What many individuals don't realize is that they are the ones who bear the brunt of long-term care costs. It's not the patient who suffers, however, it's the people who love the patient. They're the ones who miss work. They're the ones who have to relocate, reschedule, or even retire. Ask a roomful of people how many of them can actually afford to do that — much less want to — and you'll see very few hands raised.

Fortunately, planning ahead offers a way of meeting many long-term care needs. For many, long-term care insurance is a solution to the problem. An LTCI policy provides the assurance that when care is needed, benefits will help cover costs, qual-



### **GUEST COLUMN**

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ity need not be compromised, and assets can be protected. The biggest risk employees face today is failing to consider long-term care needs as part of their retirement package. The reality is that one out of every two people who live past 65 will need long-term care services. The average stay in a nursing facility is 2.4 years. The cost of an average nursing home stay in 30 years will be in excess of \$695,000. This sum could bankrupt most retirement funds quickly unless planned for ahead of time. Long-term care insurance is the best way to protect your employees' retirement savings from astronomical bills.

Employees are turning to their employer for help in making LTCI part of their retirement package. Yet many employers may hesitate about offering LTCI coverage due to a lack of understanding the need, product, benefit and cost.

Your employees' health remains the key ingredient in the success of their retirement account before and after their retirement. If their health should change requiring long-term care it could wipe out their savings and change the financial security of their family forever, unless they are protected against long-term care needs.

There are a lot of advantages for your employees as a result of offering them

long-term care insurance in their benefits package. However, none of the benefits will do them any good unless they choose to purchase LTCI. Protecting retirement investments is essential in order to protect their future retirement plans. It is just as important as maintaining and building a 401(k).

Some employers have been motivated to sponsor LTCI by their concern about the many workers who are, or will be, providing care to elderly relatives and the impact this has on absenteeism and productivity. This is a well-founded concern. As a solution, coverage made available through the workplace can also be available to the employees' extended family members, such as spouse, parents, parents-in-law and children.

Employers are in the lead position to assist their employees by offering them health, life and disability insurance as well as a retirement fund. The employer is now the key player in securing their employees total benefits package by offering them LTCI, the crown jewel of the retirement benefits package. This gift of securing the employees' future and building a firewall around the employees' retirement is essential and enhances the employees' ability to be financially secure.

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