

5 Wrongs Don't Make a Right

By Jane Bianchi

Take a look at the common misconceptions about a type of insurance that can cover care when you need it the most.

WHEN THRIVENT MEMBER STEVE

Erickson noticed a gash on his mother Marjorie's head, she said she had fallen but didn't know how or when. The fall made him realize he needed to think about moving his mother to a care facility. He and his wife had moved her into their Greeley, Colorado, home several years prior, but she now needed more care than they could give.

Because she had too many assets, his mother didn't qualify for Medicaid. Luckily, Dan Austin, a Thrivent Financial representative and friend of Erickson's through church, had encouraged his mother and him to look into long-term care insurance years earlier, before his mother's dementia developed. It allowed her to go to an assisted living facility and then a full-fledged nursing home for years until she passed away in October 2014.

"Her caretakers were the best," says Erickson. "At first, my siblings thought [it was foolish to spend money] on long-term care, but now they think their brother is pretty smart!"

If you're hesitant about buying long-term care insurance, check out these common concerns—and why they don't carry much weight.



Thrivent member Steve Erickson, right, and his wife, Judi, left, appreciated the options that long-term care insurance gave his mother as she aged.

Misconception No. 1:

Premiums are too expensive.

"In my experience, the average person who enters a nursing home will earn back his or her premiums in less than a year," says Thrivent Financial Representative Jordan Austin of Johnstown, Colorado. "And if you're self-employed,

you might be able to write off some or all of your premium as a business expense." Some states even provide a tax credit, says Deb Newman, founder and CEO of Newman Long Term Care in Richfield, Minnesota, which is a wholly owned subsidiary of Thrivent.

¹ Genworth 2016 Cost of Care Survey, conducted by CareScout®, April 2016

² 2014 Long-Term Care Insurance Sourcebook, American Association of Long-Term Care Insurance

³ Research by Elissa Epel, M.D., at the University of California at San Francisco, Proceedings of the National Academy of Sciences; December 7, 2004; Vol. 101, No. 49

⁴ 2014 Medicare & You, National Medicare Handbook, Center for Medicare & Medicaid Services

ICC16 29283 N11-16



LONG-TERM CARE CHOICES

There is no one-size-fits-all contract for long-term care insurance—you can usually select different options to tailor a contract to fit your budget and goals. Here are things to consider:

► **How much coverage do I want?**

The amount of coverage you have can be tailor made to fit your unique circumstances.

► **How long do I want benefits to last?**

You have choices regarding how many years the benefits will last. Consider your family history and your financial strategy in making decisions.

► **How long do I want to wait before coverage kicks in?**

You choose whether your benefit begins after a 30-, 90-, or 180-day waiting period, or you may be able to purchase a rider that allows you to waive the waiting period for home health care.

► **Do I want my benefits to grow over time?**

For an additional premium, you can add an inflation rider to help your benefits keep up with the rising costs of care.

► **How much do I want to pay in premiums?**

The decisions you make to the questions above affect how much you'll pay. Insurance companies also consider your age, gender and health when you apply.

Misconception No. 2:

I can save enough on my own. "People think, 'I'll just use my assets.' But if you're investing your assets so they can grow, then you can't also use those same assets to pay for long-term care," says Newman. The cost of care can be anywhere from \$1,473 to \$7,698 per month.¹ The average length of time that a person needs long-term care is 1,040 days (almost three years), according to the American Association for Long-Term Care Insurance (AALTCI).² As you can see: That's no small chunk of change.

Misconception No. 3:

It's nursing home insurance.

Long-term care insurance can cover nursing home care, but it also can cover assisted living, home care and, in some cases, even rehab. About 52% of long-term care starts in the home and 20% starts in an assisted living facility, according to AALTCI.² "Some of your benefit even can be used to modify your home, say, to widen doorways or

lower counters if you're wheelchair-bound," says Austin.

Misconception No. 4:

My kids will care for me.

Life happens: Your children may not be able to care for you. They may not live near you or have jobs that prevent them from giving you the care you need. Another downside: "The stress of caring for someone [can] take as much as 10 years off that caregiver's life expectancy,"³ says Newman.

Misconception No. 5:

I'm young and healthy.

Today you are. But almost 70% of people over 65 years of age will need some type of long-term care.⁴ Plus, you're more likely to get a preferred rate (a.k.a. lower premium) if you buy when you're younger (in your 50s). You're also less likely to have medical problems that would disqualify you. ■

Freelancer Jane Bianchi has written for *Esquire*, *Dr. Oz The Good Life* and *Woman's Day*.

THRIVENT FINANCIAL, THE MARKETING NAME FOR THRIVENT FINANCIAL FOR LUTHERANS, HAS BEEN IN THE LONG-TERM CARE INSURANCE MARKET SINCE 1987.

Insurance products issued or offered by Thrivent Financial, the marketing name for Thrivent Financial for Lutherans, Appleton, WI. Not all products are available in all states. All applications are subject to the underwriting requirements of Thrivent Financial. A medical exam may be required. Premiums are not guaranteed to remain unchanged, except during the first five contract years. Any changes to premium rates will apply to all similar contracts issued in your state to contract owners in the same class on the same contract form. This means you cannot be singled out for an increase because of advancing age, changes in your health, claim status or any other reason solely related to you. Long-term care insurance may not cover all of the costs associated with long-term care. You are advised to review your contract carefully. The contract has exclusions, limitations, reductions in benefits and terms under which the contract may be continued in force or discontinued. Contract provisions and maximum monthly benefits may vary by state.

Marjorie Erickson's experience may not be representative of the experience of other clients. This story is also not indicative of future performance or success.