

## FROM THE DESK OF:



### LONG TERM CARE INSURANCE (LTC)

Long Term Care Insurance is a relatively recent innovation prompted by the enormous costs associated with the health care needs of those suffering a prolonged period of ill health.

LTC insurance is designed to cover the costs of long-term care if the life insured cannot perform at least two of the activities of daily living. (eating, bathing, dressing, using the toilet, continence, or transferring position (ie getting out of bed or a chair). Conditions often requiring long term care include stroke, arthritis, Parkinson's, multiple sclerosis, Alzheimer's or even sometimes the simple aging process can take away the ability to perform the regular activities of life.

Benefits are received tax free to help the insured maintain their quality of life. The benefits can be used to stay in a quality nursing home, you have the option of public or private, or for home care benefits, such as receiving assistance from visiting nurses, therapists and service providers who will take care of homemaking and personal care. Without Long Term Care Insurance the cost of these services could quickly erode your savings. The average Canadian nursing home ranges from \$18,000 to \$40,000 a year. Home care costs can also add up quickly, the hourly charge for homemakers or nurses can run from \$12 - \$65 an hour.

Who should consider Long Term Care Insurance? Although many people wait until they are approaching retirement age to consider LTC insurance, most plans now offer coverage for the insured anywhere from 30 to 80 years of age. Premiums are more economical if you start at a younger age. Depending on your situation, you may also consider looking at purchasing a long term care insurance policy insuring your parents.

What benefits amounts are available? You can apply for an insured amount of \$500 to \$8000 a month, (limits vary by company), payable for 2 years, 5 years, 10 years or even life. Premiums can be reduced by having the payments start later; options are usually between 30days up to one year. Most plans pay on a reimbursement basis only, however some plans offer a fixed monthly benefit, as long as the insured meets certain requirements.

Paying for long term care, for yourself, your spouse or your parents can quickly reduce the value of your estate. Call our office today to see if Long Term Care Insurance is a financial strategy that should be included as a component in your overall financial plan.

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*David Bardal, CLU, CH.F.C., CFP*  
*Senior Financial Planning Advisor*  
*Assante Financial Management Ltd.*  
*Email: [dbardal@assante.com](mailto:dbardal@assante.com)*  
*Direct: 204-977-8007*  
*[www.davidbardal.com](http://www.davidbardal.com)*

*Juana Baldwin*  
*Financial Planning Associate*  
*Assante Financial Management Ltd.*  
*Email: [jbaldwin@assante.com](mailto:jbaldwin@assante.com)*  
*Direct: 204-977-8068*  
*1345 Taylor Avenue, Wpg, MB*

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