

October 2016 Newsletter



Guide to Financial Senior Care



With the average lifespan increasing, more adult children are caring for aging parents who have depleted their savings. According to the [Genworth 2014 Cost of Care Survey](#) (U.S. Only), the average annual cost of a one bedroom apartment in an assisted living community is \$42,000 per year. A private room in a nursing home averages more than \$87,600 per year. Paying for care requires understanding options through research and careful planning.

- [Senior Care Cost Calculator](#)
- [Elder Care Cost Comparison](#)
- [How to Pay For Senior Housing in Canada](#)

LONG-TERM CARE INSURANCE

Long-term care insurance (LTCI) in the U.S. and Canada helps pay for costs not covered by private medical insurance. This type of plan can help minimize the financial impact of long-term health care needs. In general, long-term care insurance will cover the cost of home care, assisted living, adult daycare, respite care, hospice care, nursing home and Alzheimer's care facilities. Most companies will not insure people with preexisting conditions; it's easier to buy LTCI before health issues arise.

[Read more about long-term care insurance and costs](#)

LIFE INSURANCE POLICY CONVERSIONS: LONG TERM CARE BENEFIT PLAN

Instead of allowing a life insurance policy to lapse or be surrendered; the owner can convert their policy into a [Long Term Care Benefit Plan](#). Any type of in-force life insurance policy (Term, Universal, Whole and Group) with a death benefit of \$50,000-\$1,000,000 can be quickly and easily converted into a Long Term Care Benefit Plan that will start covering immediate costs of any form of Senior Care the policy owner chooses. It is a unique financial option for seniors because it pays for immediate care needs, all health conditions are accepted, there are no wait periods, no care limitations, no costs or obligations to apply, no requirement to be terminally ill, and there are no premium payments. Policy owners have the legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct tax-exempt payments to cover their senior housing and long term care costs.

[How to Pay for Senior Care with Life Insurance](#)

GOVERNMENT FUNDED LONG TERM CARE

Many U.S. citizens are surprised to learn that [Medicare](#) is not universal health care for people over 65 and does not cover long-term care costs for seniors.

[Read more about government funded long term care](#)

REVERSE MORTGAGES

A reverse mortgage, also called a Home Equity Conversion Mortgage (HECM) - is a type of loan for homeowners over the age of 62 that turns equity saved in a home into cash. When someone secures a reverse

mortgage, they are then able to use the money from their home equity while also living in and retaining ownership of their home. There are no restrictions on how you can use the money from a reverse mortgage. Traditionally, the disadvantages of a reverse mortgage are the relatively high closing costs, but if you need money for any purpose, and are concerned about not being able to make the payments on a normal loan, then a reverse mortgage may be right for you.

by: A Place for Mom