

A self-Defense Policy for Women

Coverage
guards
against
a huge
financial
burden

Maria Jones, director of residential and treatment services at Carolina Children's Home in Columbia, S.C., considers herself lucky. Her 77-year-old father, Charles Horton, took out long-term care insurance six months before he suffered several strokes in 1996. The insurance pays for the nine hours of care he receives daily in their home--assistance Jones doesn't have to provide. "My father took out the policy because he didn't want to be a burden to his children," says Jones. "I would have had to quit my job to care for him." She and her husband say they're now considering a similar policy for themselves.

'INDEPENDENCE.' Long-term care insurance can alleviate the stress of providing or managing care for another, or give you options for when you ultimately need help yourself. This insurance is designed to pick up the costly tab for those who need custodial care at home or at a nursing facility if they become disabled through old age, illness, or accident. Neither Medicare nor supplemental Medigap insurance covers these costs which can run \$50,000 a year. As a result families must finance this burden themselves. Medicaid, run by the states, is available only after an individual has depleted most of her assets. But Medicaid only pays for a nursing home, not home care or assisted living. "People buy Long-Term Care Insurance for freedom of choice and independence" says Kathleen Ligare, senior vice president of GE Financial Assurance's long term care division.

The decision to buy long-term care insurance for your parents or yourself is a complicated one involving everything from family assets to your ability to care for your mom, dad, or an infirm spouse. But the issue has special meaning for women. Females tend to shoulder the burden of providing care for an aging relative and are also the most likely to require help in their old age. Since more women than men quit their jobs to be caregivers, **this "may be the greatest threat to a woman's financial independence,"** says Phyllis Shelton, president of LTC Consultants, a Nashville firm that trains agents who sell long-term care insurance, and author of *Long-Term Care Planning Guide* (Shelton Marketing Services, \$19.95).

Women benefit a second way through long-term care insurance. "More women end up needing long-term care" because they live longer than men, says Robert Pearson, CEO of CareQuest, a Madison (Wis.) consulting firm specializing in long-term care planning. Indeed, **75% of all nursing-home residents are women, as are 67% of current home health-care agency patients.**

Long-term care coverage isn't cheap. The cost of coverage depends on your age, the features you choose and the cost of care in your region. Policies make special sense for middle to upper-middle-income people who can handle the premiums but couldn't easily afford the care (BW--July 7, 1999).

Be sure to talk with an independent insurance agent about your options. Although you should review offerings from several insurers, be wary of bargain-basement policies--they're a virtual guarantee of future rate hikes. Make sure you purchase an inflation rider. And select a company with at least \$2 billion in assets and high scores from an insurance rating firm (at least an A- from AM Best) After all, you'll need your insurer to be around for many years.

Why Long-Term Care Insurance Matters for Women

THEIR CAREERS SUFFER...

- 66% of informal caregivers are women.
- 12% of women have to leave their jobs after becoming caregivers.
- By 2005, one out of three workers will be caring for an aging parent.

...AND THEY'LL LIKELY NEED CARE

- Women live six years longer, on average, than men. So they may not be able to count on their husbands to provide care.
- A 65 year old woman has a 52% chance of eventually needing nursing home care, vs 36% for a 65 year old man.
- 75% of nursing home residents and 67% of the elderly receiving home health care are women.