

Costs For Long-Term Care Insurance Rise Slightly Study Finds

Costs for long-term care insurance policies rose slightly according to a just-released study by the American Association for Long-Term Care Insurance. A 55-year-old individual can expect to pay \$723 annually for a base plan of protection.

(FV Newswire) January 06, 2010 -- Costs for long-term care insurance have risen slightly, about two percent, compared to the prior year according to a just-concluded study.

A 55-year-old individual considering long-term care insurance protection can expect to pay \$723-per-year for a base level of protection if they are married or \$1,060 if they are single according to the annual Long-Term Care Insurance Price Index published by the American Association for Long-Term Care Insurance (<http://www.aaltci.org>).

The study measured costs for top selling long-term care insurance policies that provided approximately \$115,000 in current benefits, with protection increasing yearly as the individual ages. "A solid base plan of protection will grow in value to over \$305,000 of protection 20 years from now," explains Jesse Slome, executive director of the national trade organization that conducted the annual study.

For some age bands the cost of long-term care insurance experienced a modest one percent decline compared to the prior year, the study found. "What we did see is a far wider range of prices between insurers offering basically the same coverage," Slome notes. According to the study, costs can vary by as much as 60 percent from one insurer to the next. Experts advise consumers to compare policies or work with a knowledgeable insurance professional with access to multiple insurers who can help you get the most benefit for the lowest cost.

"The cost of long-term care insurance is directly related to how much protection you purchase, the age you first apply, your health at the time of application and assumptions that vary from one insurer to another," explains Slome. According to the Association, over half of all individual applicants are between ages 55 and 64, and one third purchase a daily benefit of between \$100 and \$149. Most opt for an optional inflation growth rider that increases the potential pool of available benefit dollars each year.

The cost analysis priced typical coverage for individuals ages 55 and 65. The study reports that a married individual age 55 purchasing \$172,000 in current protection will pay about \$20-a-week (\$1,084-per-year) by qualifying for available good health discounts. By waiting until they are age 65, they'll likely pay \$63-a-week (\$3,275-per-year) because costs increase with age and one must buy more coverage to keep pace with inflation the report concludes.

The American Association for Long-Term Care Insurance is the national association serving insurance and financial professionals who provide long-term care financing solutions. The organization is headquartered in Los Angeles, CA. Learn about long-term care insurance at: <http://www.aaltci.org/long-term-care-insurance/>.

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