

# CAN YOU “BUY PEACE OF MIND” WITH LONG TERM CARE INSURANCE?



## THE EMOTIONAL AND FINANCIAL IMPACTS FACING INDIVIDUALS APPROACHING RETIREMENT.

Looking forward to a carefree and relaxing retirement is one of the greatest rewards of a lifetime of hard work. With all of the long hours spent at the office over the years, professional challenges met and bested in addition to the numerous other obstacles we encountered throughout “the daily grind”, everyone deserves the opportunity to kick back, relax and reflect on a lifetime of accomplishments.

**Hey, we wouldn't have it any other way for our clients.**

While many people diligently save money for retirement through a variety of different investment vehicles and strategies, it should hardly come as a surprise that health care expenses seem to be one of the greatest concerns on the minds of people nearing retirement. Recent studies show that **the average couple retiring could expect to pay between \$220K to \$240K in healthcare costs during their retirement.** If those figures aren't frightening enough, they don't even account for long term care expenditures, where the **average cost of a private nursing room in Illinois can cost about \$75K a year;** not accounting for inflation which is hovering around 3% annually, it's easy to see how these costs can get out of hand rather quickly. The realities of these potential expenses and the fact that **over 70% of people over the age of 65 will need some long term care services in their lifetimes** warrant reviewing Long Term Care Insurance (LTCI) as a necessity for your retirement plan.

## WHAT DO LONG TERM CARE, LIFE, HOMEOWNERS, AND CAR INSURANCE HAVE IN COMMON?

Long term care insurance, life insurance, car insurance, disability insurance and homeowners insurance all have one thing in common: **the purpose of these instruments is to protect you and your loved ones** from devastating monetary events that can ruin your family's finances. The one thing that all types of insurance related to your health have in common is that **they are all cheaper to purchase the younger you are AND they all offer "Peace of Mind"**.

While conventional wisdom holds that **Long Term Care Insurance is best suited for households with a net worth in the range of \$250K to \$2 million**, due to the skyrocketing increase in long term care costs as well as longer life expectancies, this traditional perspective commands a reassessment. The reality is that even those households with assets of \$5 million and more should consider LTCI, for several reasons:

- **To help protect your assets and personal savings** - Long term care services are expensive and without proper planning can quickly use up a lifetime of savings. If you're married and one of you needs LTCI, what assets will be available to care for the other spouse? Will your spouse be at risk? Will you need to get financial help from your children? Will you be forced to go on Public Assistance? LTCI can help address all of these issues.
- **To help preserve your quality of life** - LTCI offers you the option of staying in your own home as long as possible. You could even stay in a child's home without being dependent on them for care or their financial resources. According to the American Association of Long Term Care Insurance, over 50% of LTCI benefits were paid for in home care.
- **To have the appropriate options for care** - With LTCI you have the freedom to choose where and how you will receive care fitting your needs.
- **To relieve the burden of care from your loved ones** - LTCI allows you to gain access to a professional care coordinator during a time of crisis, greatly helping you and your loved ones create the best plan of action.
- **To obtain "Peace of Mind"** - By helping you and your family plan for the future.

In obtaining "Peace of Mind" it is important to realize that the majority of people who purchase LTCI do so for emotional as well as financial reasons. Even if one has the means to self-insure, that doesn't necessarily mean that they want to spend a lifetime of savings on long term care costs; especially if they are planning on leaving an inheritance to other family members or the charities of their choice.

At retirement age, you are entitled to "Peace of Mind". You insure your car, your home, your life, and your health; it seems like, for many, LTCI is another essential consideration. One insures for the big potential financial problems in life. LTCI is another one that helps you achieve **"Peace of Mind"**.



## WHAT'S IN YOUR BEST INTEREST?

It may be in your best interest to evaluate whether Long Term Care Insurance should be a part of their retirement planning because if one waits until retirement the costs of LTCl will be significantly higher. As we mentioned above, **LTCl, like many other insurances, is more affordable when started at a pre-retirement age.** No one wants to think about the physical and psychological impairments that often go hand-in-hand with getting older, but it is important to recognize these potentialities and create a strategy to deal with them - and we are more than happy to help you devise a plan. If you'd like to talk to us more about protecting your retirement plan with an LTCl policy, please feel free to contact us with any questions.

---

CTS Financial Planning, Inc. ("CTS") is an SEC registered investment adviser with its principal place of business in the State of Illinois. Registration does not imply a certain level of skill or training. For information pertaining to the registration of CTS, please contact CTS or refer to the Investment Adviser Public Disclosure web site ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). For additional information about CTS, including its fees and services, please send us a written request for our disclosure brochure. This newsletter is provided for informational purposes only and the information contained herein should not be construed as a solicitation to buy or sell any security or the provision of personalized investment advice. Past performance is no guarantee of future results.

An index is a portfolio of specific securities whose performance is often used as a benchmark in measuring the performance of a specific asset class. It should not be assumed that your account performance or the volatility of any securities held in your account will correspond directly to any comparative benchmark index.

This letter contains certain forward-looking statements which indicate future possibilities. Actual results may differ materially from the expectations portrayed in such forward-looking statements. As such, there is no guarantee that any views and opinions expressed in this letter will come to pass. Additionally, this letter contains information derived from third party sources. Although we believe these sources to be reliable, we make no representations as to the accuracy of any information prepared by any unaffiliated third party incorporated herein, and take no responsibility therefore. For information about your particular account holdings, please review the statements you receive directly from the custodian of your accounts or contact us. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change without prior notice.