

# Long Term Care Insurance Basics

## Six Activities of Daily Living (ADL's)

- Dressing – ability to safely dress yourself
- Eating – ability to safely feed yourself
- Bathing – ability to safely bathe yourself
- Transferring – ability to safely ambulate independently
- Toileting – ability to safely use commode, lifting yourself on and off
- Contenance – ability to control bowel and bladder

Or

- Cognitive Impairment – requiring stand-by supervision

A long-term care claim is triggered when an individual cannot perform two of the six activities of daily living (ADL's) as listed above or has a severe cognitive impairment which requires hands-on, stand-by or within-arms-reach assistance.



## Four Basic Components of a Long Term Care Policy:

- Benefit Amount (Bucket of Money, Pool of Benefits, Maximum Lifetime Benefit)
- Benefit Period (Maximum length of time policy will pay out maximum monthly amount)
- Inflation Protection (Benefit amount needs to increase to keep up with increasing long term care costs)
- Elimination Period (Deductible – Service Days or Calendar Days)

Three different types of products available for funding long term care costs using income, nonqualified funds (ROTH IRA), qualified funds (retirement funds, IRA), annuities or cash value life insurance funds:

- Traditional Stand-Alone Long Term Care Insurance (LTCi) Policy
- Life Insurance with LTCi Rider using either qualified (retirement) or nonqualified funds
- Annuity with LTCi Rider using either qualified (retirement) or nonqualified funds

**Cost of a long term care plan is determined by:  
gender, age, health, marital/domestic partner status, plan design and product chosen.**

Policies cover care in the following settings:

Home Care

Assisted Living Community

Adult Day Care

Nursing Home

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