



5 Major LTC Planning Mistakes

Mistake #1 **Procrastination**

We all get busy. However, don't let your fast-paced life prevent you from taking the time to plan.

Procrastination can have two negative effects:

Waiting can result in much higher premiums. Premiums typically go up with each birthday. When you apply, you are locking in a lower premium.

A change in health can occur at any time—preventing you from obtaining coverage.

Mistake #2 **Assuming you are already covered**

If you have not had firsthand experience paying for a loved one's care, assuming your major medical coverage or Medicare will pay for care can be natural. However, these plans do not cover any significant portion of long-term care expenses.

Mistake #3 **Assuming LTC Insurance is too expensive**

An insurance policy to cover the rising costs of long-term care can be surprisingly affordable. Many financial planners recommend obtaining coverage if premiums can be designed below 7% of your monthly income.

Mistake #4 **Assuming self-insuring makes more sense**

Many individuals we have worked with could have easily afforded to pay for their own care if necessary. However, many decide to transfer the risk after closely looking at several factors, including:

- Future costs of care dramatically increasing
- Tax advantages
- Liquidity

Mistake #5 **Assuming you will never need care**

Unfortunately, we can't completely control our health. Many people receiving care today did not plan on needing care...

- Will you get older?
- Will health improve or decline?
- Will a decline in health require some type of extended care?

We can't predict whether or not this will happen...

But we can plan for it!