Advantages of Long-Term Care Insurance

New York Life Insurance Company

The Company You Keep®

7 Reasons You Should Consider Long-Term Care Insurance for You and Your Family

Professionals who study risk management say that individuals have several choices when dealing with risk. These choices include:
***1)** avoiding the risk,*
***2)** retaining the risk, or*
***3)** transferring the risk.*

When it comes to the issue of long-term care, people may avoid the risk because they don't understand the potential for needing services. They may choose to retain the risk because they don't understand the potentially high cost of care. Or they may transfer the risk as part of a carefully considered retirement and financial plan. Each person's decision-making process is driven by different concerns and priorities. Here are seven reasons you should consider transferring the risk of a long-term care experience through the purchase of long-term care insurance from New York Life Insurance Company (New York Life).

Economics
Protecting your assets

In the absence of other resources such as insurance, it may be necessary to pay for long-term care expenses out of pocket. This could involve selling off assets, borrowing from an investment or retirement account, or even taking a loan against your life insurance. These options, although possible, are probably not what you had in mind when you purchased life insurance or began saving for your future. Long-term care insurance may be an affordable way to help protect a much larger portion of your financial and retirement plan against an unexpected need for care.

Opportunity Cost
Freeing up your money

If the choice is made to retain the risk and self-fund the potential cost of long-term care, you must set aside a considerable portion of your assets as a "rainy day" fund. By insuring part of this risk, those assets are free to support the quality of life you expect for you and your spouse in retirement or to be used for other worthwhile purposes, such as charitable donations or special trusts and gifting to family members and friends.

Control
Having your own way

A bottom-line issue in long-term care is control. If you someday need long-term care services, you may find that you are not in a position to control how the funding of those costs is to be handled. Would you object if your family decided to liquidate some assets or sell something you value, such as a cherished collection, antiques, or a vacation home? If you were to become incapacitated, you might not have a say in the matter.

By insuring part of the risk, you help increase the possibility that your assets will be handled and distributed according to your wishes.

Another important element of control is deciding where care will be provided. Long-term care services may be provided in any number of settings including your home, an assisted care living facility, adult day care, or nursing facility. Being able to decide where you wish to receive care is often tied to your financial resources at the time of need.

Risk Management Logic

Most people have homeowners and auto insurance, but if you scratched the paint on your car or a neighborhood kid threw a baseball through your window, you might pay those expenses without filing a claim because the cost is manageable. You have the insurance anyway, though, because you believe it's just a good idea. If something major happened to your car or your home, you would be protected.

The need for long-term care services may have a much bigger effect on your finances than a scratched car or a broken window. Long-term care insurance is

NEW YORK LIFE

Long-Term Care Insurance

51 Madison Avenue
New York, NY 10010

Long-Term Care Insurance Division
6200 Bridgepoint Parkway, Suite 400
Austin, Texas 78730-5006

www.newyorklife.com

a lot like your homeowner's or auto coverage—you hope you never need to use it, but if you do, you will be glad the protection is there.

Quality of Care

The privilege of choosing your caregiver

Most people agree that the preferred place to receive quality care is in the privacy and comfort of your own home. However, depending on the type of care you receive, home care may be just as expensive as care received in a facility. By insuring for the long-term care risk, you may be assured that care expenses will be less of a concern when receiving the best home care available. Having additional resources to pay for home care may also make the difference between staying at home and having to relocate to a care facility. Should institutional care better fit your needs, you may have funds on hand to pay for the facility you prefer, rather than one you can afford.

Timing

Creating a window of time

Life insurance helps to provide a window of time for your heirs. This span of time helps to ensure that they do not have to liquidate assets right away to pay for estate or probate costs under possibly disadvantageous circumstances. Long-term care insurance can help in a similar manner. Assets may not need to be liquidated to fund long-term care costs —or at the very least, you may have time to think about how, when, and what you might like to liquidate.

Family Considerations

Stressful decisions

An unexpected need for long-term care services may create stress for family members confronted with issues of caregiving. Caregiving may take a physical toll on family members who may have to help with bathing, dressing, and other tasks associated with custodial care. It can also have a financial impact on family caregivers who have to miss time from work, change from full-time to part-time employment, or even leave their job completely. Finally, caregiving may have an emotional impact on family members having to take care of Mom or Dad — someone whom they have always seen as strong and in control. Physical and mental illness sometimes brings an unexpected role-reversal to the parent-child relationship.

An option worth considering…
Long-term care insurance helps with these considerations by providing benefits and resources to help you and your family understand the options and determine the best source of care. Long-term care insurance provides options that you and your family may not know about or may not otherwise have the money to consider.

New York Life Insurance Company's individual tax qualified Long-Term Care Insurance policies are issued on policy form series ILTC-5000, FLTC-5000, INH-5000 and FNH-5000. The actual policy form numbers vary by state and are identified with the two-letter state identifier and an edition number. Examples: for Idaho ILTC-5000 (ID) (1001) and INH-5000 (ID) (1001) and for Pennsylvania ILTC5000 (PA) (1001), FLTC-5000 MLP (PA) (0503), INH-5000 (PA) (1001) and FNH-5000 MLP (PA) (0503). INH-5000 or FNH-5000 series are not available in OR, RI, or VT. The policies contain some benefit eligibility restrictions, other limitations and exclusions, as well as terms under which the policies can be continued in force or discontinued, that are common in the industry. Policy benefits are subject to daily as well as lifetime maximum benefits. Benefit eligibility is contingent on a chronic illness certification and a written plan of care. The provider must be an eligible provider for the qualified long-term care and services being provided. The policy may not cover all expenses for long-term care needs. It is advisable to review the outline of coverage and the issued policy for specific details. For costs and complete details of the coverage, call or write your insurance agent or the company.

281836HO 11.06