

# Long-Term Care Insurance

Unlike traditional health insurance, long-term care insurance is designed to cover long-term services and supports, including personal and custodial care in a variety of settings such as your home, a community organization, or other facility.

Long-term care insurance policies reimburse policyholders a daily amount (up to a pre-selected limit) for services to assist them with “activities of daily living” such as bathing, dressing, or eating. You can select a range of care options and benefits that allow you to get the services you need, where you need them.

## Policy Costs

The cost of your long-term care policy is based on:

How old you are when you buy the policy (older means more expensive)

- » The maximum amount that a policy will pay per day
- » The maximum number of days (years) that a policy will pay (more days, more expensive)
- » The maximum amount per day times the number of days determines the lifetime maximum amount that the policy will pay.

» Any optional benefits you choose, such as benefits that increase with inflation

If you are in poor health or already receiving long-term care services, you may not qualify for long-term care insurance as most individual policies require medical underwriting. In some cases, you may be able to buy a limited amount of coverage, or coverage at a higher “non-standard” rate. Some group policies do not require underwriting.

## Policy Limits

Many long-term care insurance policies have limits on how long or how much they will pay. Some policies will pay the costs of your long-term care for two to five years, while other insurance companies offer policies that will pay your long-term care costs for as long as you live—no matter how much it costs. But there are very few that have no such limits.

## Medicare and Medicaid

Medicare only pays for long-term care that requires skilled services or rehabilitative care, and then only for a limited number of days (up to 100). It does not pay for assistance with activities of daily living. Medicaid can pay for long-term care if a person’s income is below a certain level and their situation meets state eligibility requirements.

For more information, visit <https://longtermcare.acl.gov/costs-how-to-pay/what-is-long-term-care-insurance/>

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