

Evaluating a Long-Term Care Policy

Here's a checklist that you can use to evaluate your current policy, or to compare a new policy before you buy:

- What is the daily benefit amount for nursing home care? Make sure it's enough to cover the cost of care in your community.
- What types of care alternatives are covered? Look for home health care, home health care aides, adult day care, assisted living facilities and respite care.
- What is the daily benefit amount for home health care or other alternative types of care? This should be at least 80% percent of the benefit for nursing home care.
- Are home care benefits subject to a daily, weekly or monthly maximum benefit? A policy with a weekly or monthly benefit limit may pay more in benefits than a policy with a daily limit.
- How is eligibility for benefits determined? Policies typically require you to need assistance in performing activities of daily living (ADLs) such as eating, dressing, bathing, etc. or diagnosis of a cognitive impairment.
- What is the maximum benefit? This may be the length of time the policy will pay for care, or it may be expressed as a maximum dollar amount. Ideally, benefits should last 4 years or more.
- What is the waiting period before benefits begin? Similar to the deductible on your auto insurance, this is the cost you pay out of pocket. A longer elimination period can lower your premiums.
- Does the benefit amount increase with inflation? An inflation protection benefit is especially important if you purchase a policy before age 65. Usually there is a substantial added premium for this feature.
- Are premiums waived while you are receiving nursing home care? Are premiums waived if you are receiving home health care?
- Is the plan guaranteed renewable? This means the company can't cancel you as long as you pay your premiums.
- What are the limitations for pre-existing conditions?
- Does the policy have a return of premium feature? This means your premiums may be refunded under certain conditions, such as not filing a claim. Usually there is a substantial added premium for this feature.

Note: This is a general description of long term care insurance features and benefits. Specific benefits and limitations are determined by the actual policy language.