

Special Benefits for Couples Only

There is a difference between genders in long term care:

- Men over 65 have a 44% chance of needing care an average of 2+ years.
- Women over 65 have a 72% chance of needing care an average of 3+ years.

Most couples include Shared Benefit rider to their policy. The Shared Benefit rider provides some premium protection because it is likely that at least one spouse will use the insurance.

Individual Benefit Pools vs Shared Benefit Pool Example	
2 Individual Benefit Pools	1 Shared Benefit Pool
$\begin{array}{r} 2 \text{ years} \\ \times \$4500 \\ \hline \$108,000 \end{array}$	$\begin{array}{r} 4 \text{ years} \\ \times \$4500 \\ \hline \$216,000 \end{array}$
$\begin{array}{r} 2 \text{ years} \\ \times \$4500 \\ \hline \$108,000 \end{array}$	
<p>With individual plans each spouse has a \$108,000 pool. If one spouse should use all \$108,000 they would have to start paying out-of-pocket. If one spouse dies that benefit pool disappears and the survivor would have only their pool.</p> <p>With a shared plan both spouses share a \$216,000 pool. With a shared plan, if one spouse dies the surviving spouse inherits the entire pool.</p> <p>With a shared benefit plan one spouse is almost certain to use the benefits.</p>	

Shared benefits plans will cost a little more because it is more insurance. Some couples would get a 4-year shared rather than two 3-year individual plans. It's about finding a balance between how much insurance you think you'll need and affordability. Because we usually don't have a warning when our health changes, it is better to have a smaller benefit policy than none at all.

NOTE: What should you do if one spouse is declined?

First, don't panic. It is not uncommon for someone to be declined for insurance for health reasons. When this happens a common response is to not insure either spouse. This is an emotional reaction to being declined.

It is doubtful that if one spouse is unable to get auto insurance that the other spouse would decline having their own auto insurance coverage, but this is the way some people react when one spouse is declined for long term care insurance.

If one spouse needs care (often the husband first) that spouse may need to use assets to pay for care leaving the other spouse at risk of "spending-down" remaining assets and ending up on Medicaid.

The underwriter has only the application and medical records when evaluating an applicant and sometimes the records don't tell the whole story. When someone is declined our advisors find out why and they check with other insurance companies to see if the client might be accepted and in some cases our advisors have had success at having declines reversed.