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Long-Term Care Solutions

Tags: long term care [1]
retirement planning [2]

There is a common misconception that, if left unaddressed, can having a devastating effect an individual's long-term financial well-being. It is the belief that long-term care costs are fully covered by provincial health care plans if you or a loved one ever need this special type of care.

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Unfortunately, this is simply not the case. While programs do exist to cover some needs like these, most of the burden of long-term care costs usually fall to the individual or their family members.

Consider a scenario in which an older, retired couple is living happily until one develops an illness or mental impairment. The need for long-term care is immediate, but the couple does not have any extra funds available to pay for new, unexpected expenses. As a result, they end up drawing upwards of $2,000 or more from their RRIF funds every month. Before long, there is no money left in the RRIF [3].

This is an all-too common occurrence for older individuals who find themselves facing a need for long-term care but having never planned for how to meet the extra expenses. Another unfortunate result is when, because of a lack of planning [4], family members are forced take on the new responsibilities as long-term caregivers at the cost of their own livelihoods and personal lives.

It is no surprise that neither of these scenarios are particularly appealing to elderly people or their family members. What alternative do they have? Government agencies will not cover these costs, and neither will provincial health care options. How can patients and their loved ones avoid depleting their savings, disrupting their lives, or losing access to the long-term health care they so desperately need?

The answer to this financial risk is Long Term Care Insurance [5]. This unique form of health insurance is generally paid out monthly to the insured after a registered physician confirms the need for long-term personal care. These policies can be purchased by individuals between the ages of 30 and 80, and can help not only reduce stress and financial burdens but even save lives.

These policies pay out cash for long-term care need when the insured person either loses certain cognitive abilities or loses the ability to perform two or more regular daily activities required for a healthy life. These include eating, getting dressed, bathing, moving from a sitting to standing position and back, etc.

If you have ever known anyone with a loved one who has drained away their retirement savings, become a burden on their family, and lost their sense of independence, you know how financially devastating a long-term care situation can be. By planning ahead, you can avoid falling into that same financial trap.

Contact a professional advisor to learn more about how a long-term care policy can provide a financial lifeline during the later stages of life when long-term care becomes so important for so many people.

Questions about Long Term Care Insurance?

Contact our office! [6]

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