



**J. KRUG & ASSOCIATES, INC.**  
Relax. You're Covered.

### **Did You Know?**

U.S. Department of Health and Human Services states that 70% of people over age 65 that will require some long-term care services during their lives <sup>1</sup>

### **Could this happen to me? Why do people need care?**

Here are the 5 top reasons <sup>4</sup>

1. Dementia (e.g., Alzheimer's)
2. Cancer
3. Stroke
4. Fractures
5. Nervous system

### **So, where is long-term care received?**

80% of long-term care is provided at home <sup>1</sup>  
44% of claimants receive home health care <sup>4</sup>  
35% of claimants receive care in assisted living facilities <sup>4</sup>  
21% of claimants receive care in a nursing home <sup>4</sup>

### **Why is that concerning? Simple, the expenses involved to care for you or a family member.**

Is it really that costly?

The national average cost for one year of nursing home care is \$75,000 <sup>2</sup>  
The projected annual cost of long-term care in 30 years is \$250,000 <sup>3</sup>  
The projected cost of a three to five-year care event in 30 years is \$750,000–\$1,250,000 <sup>3</sup>  
Typically, many middle-class families “burn” through their personal savings until almost nothing is left.

### **Will the U.S. Government or my group Insurance policy take care of this for me?**

Medicare only pays for short periods of care.  
Medicaid only covers those whose assets are below state-required minimums.  
Neither of them generally pays for in-home care to help a disabled individual live independently.  
Most company-provided or private medical benefits do not cover long-term care expenses.

### **So, should you consider purchasing Long-Term Care insurance? What do these plans do anyway?**

Helps protect your income and savings from the high cost of care.  
Helps maintain independence by providing flexibility and choice of where to receive care.  
Reduces the burden of care that may fall upon family members, including minimizing work absenteeism  
It's important to plan while young and healthy — as premiums will be lower.

### **How can you purchase long-term coverage?**

Individual policy  
Group policy through an employer  
Combined with an annuity product  
Combined with a life insurance policy

### **Do people like me own LTCi??**

8 million people own LTC insurance <sup>5</sup>  
59 years -- average age of an LTC insurance buyer <sup>6</sup>

1. U.S. Department of Health and Human Services, National Clearinghouse for Long Term Care Information, [www.longtermcare.gov](http://www.longtermcare.gov), September 2008.  
2. John Hancock Cost of Care Survey, conducted by Care Scout 2008.  
3. Based on the average historical rate of inflation of 4.1% from 1978–2008, using the Consumer Price Index for All Urban Consumers, Bureau of Labor Statistics.  
4. Based on John Hancock internal claims data for 2008.  
5. American Association for Long-Term Care Insurance, 2008 Sourcebook.  
6. John Hancock internal data as of year-end 2008.

**For additional assistance, please contact J. Krug & Associates - Logan W. Simios, CPA at 847-818-7540 or [lsimios@jkrug.com](mailto:lsimios@jkrug.com)**