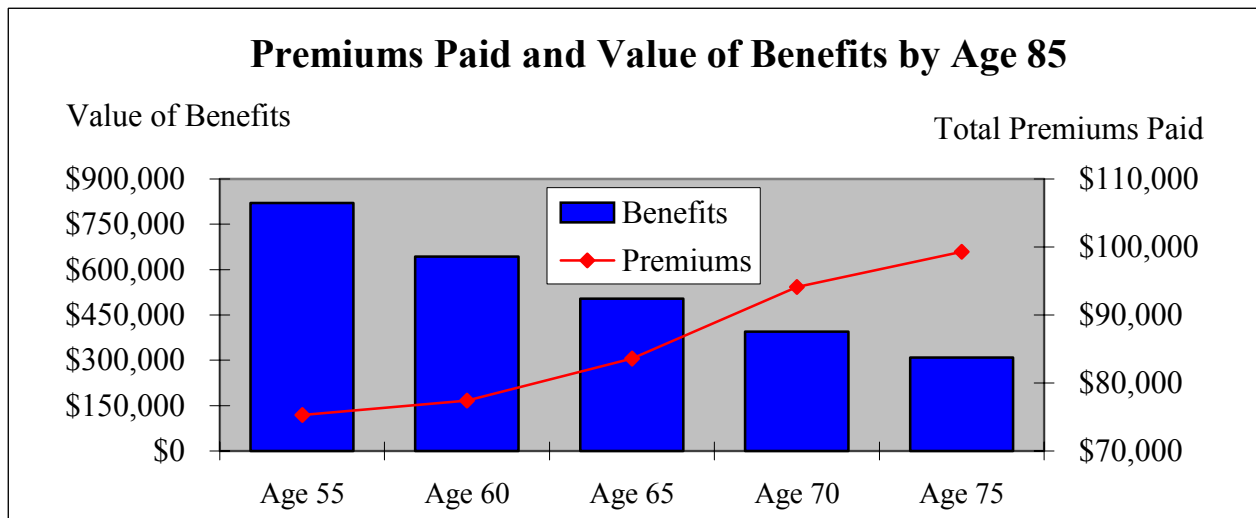


The Cost of Waiting to Buy Long-Term Care Insurance

The graph below compares the total premium cost and value of insurance benefits of a **Partnership Policy** depending on when it was purchased between ages 55 and 75. It is assumed premiums are paid annually until long-term care services are needed at age 85. The chart indicates that the best time to purchase long-term care insurance is prior to one's 60th birthday. This is due to the combined effects of low annual premiums (shown in red) that remain level, and benefits (shown in blue) that increase by 5% compounded annually.

The example is based upon a **Partnership Policy** with a \$260 daily benefit for home health care and nursing facility care with total benefits of approximately \$190,000 (two year policy). The policy has a 100-day deductible (waiting period) and the daily and lifetime benefits will increase annually at a 5% compounded rate. The annual premiums are level. (Premiums can increase in the future if approved by the Connecticut Department of Insurance. Such increases are not considered here.)

If someone bought this **Partnership Policy** today at age 55, they would spend \$75,300 in premiums over 30 years. The policy would provide up to **\$820,300** in benefits by the time they were age 85 due to 30 years of 5% compounded inflation protection. If the policy paid all of its benefits, the person would have also earned **\$820,300** in Medicaid Asset Protection.



Purchase Age	Age 55	Age 60	Age 65	Age 70	Age 75
Premiums Paid Until Age 85	\$75,300	\$77,400	\$83,600	\$94,100	\$99,300
Value of Benefits at Age 85	\$820,300	\$642,700	\$503,600	\$394,600	\$309,200

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