



**A guide to  
long-term care  
for AICPA  
members**

# Protecting your family, your assets and yourself with long-term care coverage

What you want to know today about your  
options for tomorrow.



**AICPA**<sup>®</sup>  
Member Insurance  
Programs



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## Long-term care for AICPA members

As a CPA, you've likely built a strong financial foundation for your family and you are making solid retirement preparations. Now you want to make sure you prepare for the unexpected and protect what you're working so hard to build. That's why it makes sense to think ahead about the potential need for assistance as you get older, commonly known as long-term care.

No one wants to think about needing help as they age. It feels unlikely and so far away! But the reality is, a majority of Americans will need care for an extended period of time at some point in their lives.\* And, the high cost for that care can impact your savings, your family and your quality of life if you haven't prepared for it. That's why AICPA chose to offer our members valuable long-term care insurance from New York Life Insurance Company.

This guide provides a starting point to learn what you need to know about your options for long-term care. It's important to get started now, because the younger and healthier you are, the more options you'll have in the long run.

\* U.S. Department of Health and Human Services, 2020.

# What is it?



## **Long-term care is not the same as medical care.**

Long-term care is the personal, ongoing assistance you may need to perform everyday activities when health issues make it hard for you to take care of yourself on your own. It's different from medical care because it isn't treatment of a specific illness or injury.

Long-term care services help you dress, bathe, eat, take medication, or perform other daily tasks. Age, illness, injury or cognitive impairment can all create a need for temporary or permanent long-term care services to help you maintain your quality of life.



**7 out of 10 people over age sixty-five will need some form of long-term care.\***

## **You may get care in a variety of settings, including part-time at home.**

Many people think of nursing homes when they think of long-term care. But the truth is, long-term care is very often provided at home or in an assisted-living setting. And depending on the care needed, it may be provided on a part-time basis by a family member or home health care worker.\*\*

## **The cost of long-term care services can be high.**

Whether you get care part-time at home or full-time from a nursing home, the average costs vary depending on where you live and can quickly add up:

**\$24 per hour**  
for a home health aide\*

**\$57,000 a year**  
for an assisted-living facility\*

**\$104,000 a year**  
for a skilled nursing home\*

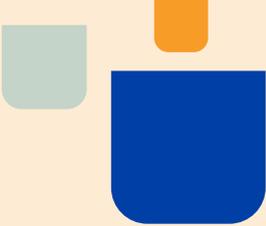
Many people start out with just a little help and their needs increase over time, so they receive a combination of services in a variety of settings. For example, two years of part-time home care followed by a year in assisted living and a year in a nursing facility could cost as much as \$209,000 based on national averages.\*\*

\* New York Life Cost of Care Survey, 2018.

\*\* Example based on average 2018 New York Life Cost of Care figures for 20 hours per week of home care at \$24 per hour, \$4,692 per month for a one bedroom unit in an assisted-care living facility, and \$103,660 per year for a private room in a nursing facility.

\* U.S. Department of Health and Human Services, 2020.

\*\* U.S. Department of Health and Human Services, 2020.



# How can I pay for long-term care services?

There are a few ways you can cover the cost for these services, each with pros and cons.

## **Rely on your savings.**

If you have enough savings or assets to sell, you can use them to pay for care out-of-pocket. It's difficult to predict what services you'll need and how long you'll need them, so it's hard to know how much to set aside. For that reason, you should probably have a substantial "rainy day" fund to be sure an unexpected need for long-term care services doesn't disrupt your financial preparations.

## **Rely on your family.**

Sometimes family members are able to provide the needed care or pay for long-term care services. But, caregiving can easily become a financial, emotional and physical burden on family members, especially when needed full-time or for an extended period of time. You'll want to consider your family's personal situation carefully to ensure they can bear the responsibility of funding or providing extended care if the need arises.



## **Rely on government programs.**

If you can demonstrate financial need or if you need short-term help after a hospital stay, government-run programs may help. However, many people are surprised to learn that these programs have strict limitations and that health insurance or long-term disability insurance doesn't typically cover long-term care services.

- Medicare is designed for short-term recovery and may only cover a maximum of 100 days of services per benefit period after a hospital stay.\* It doesn't include long-term personal care or supervision services.
- To qualify for Medicaid, you must deplete the majority of your assets first, in order to meet financial need guidelines. With Medicaid, your state may also make key decisions for you, including where you receive your care.

## **Rely on long-term care coverage.**

Getting insurance coverage can be a smart way to protect yourself against the cost of care you might need in the future. It can protect your family, your assets and your independence by transferring the risk of long-term care expenses through the purchase of long-term care insurance or other protection options.

\* U.S. Department of Health and Human Services, 2020.



# Why consider long-term care coverage?

## **Protect your assets.**

The savings and assets you've worked so hard to build can be quickly depleted during a long-term care experience. To ensure you can continue to support the lifestyle you want, leave enough for your spouse or leave an inheritance, it often makes sense to purchase protection — even if you have enough money to cover the cost of long-term care services.

By insuring against this risk, you'll also free up the money you might have put aside in a “rainy day” fund so you can use it however you'd like during retirement.

## **Protect your peace of mind.**

Similar to homeowners or auto insurance, you hope you'll never need to use long-term care coverage, but you'll be so glad it's there if you do. It can save your family from the stress and financial impact that can come with the responsibility of caregiving. And if you cover both you and your spouse, you'll feel more confident that you can both get the type of care you want if needed.

## **Keep your options open.**

Long-term care coverage affords you more control over where and how you receive care. When expense is less of a concern, you may have more flexibility to receive care at home, where you are most comfortable. And, it may cover a wide variety of services in external settings such as adult day care centers, assisted care living facilities and nursing facilities. This protection gives you choices for the best possible care and allows you to make decisions about how funding is handled.



# How much does coverage cost?

Many options are available when it comes to long-term care insurance. From just the minimum amount of daily coverage to a more robust policy that takes inflation into account, the combination of benefits depends on what type of coverage works best for you.

The features and costs vary depending on what you want to cover and your budget, but you might be surprised how affordable it can be. And, the cost of insurance is likely just a fraction of the cost of a long-term care experience, so it makes good financial sense to be protected. There can also be tax advantages for individuals and businesses to purchase qualified long-term care insurance policies.

To give you an example, the cost of long-term care insurance for a 40-year-old man in good health can be around \$100 a month, depending on the benefits chosen. A healthy couple that age might pay around \$160 a month.\*

Costs are usually based on your age and health, so the younger and healthier you are when you apply, the lower your rate and the more likely you are to be accepted.

\* Monthly premium for NYL Secure Care Policy with a facility services and home and community-based care maximum daily benefit of \$135, a three-year benefit period, with a 90 day waiting period, a CPI-U Benefit Increase Offer Inflation rider, and a policy lifetime maximum of \$147,825. Couples rate includes a 25% partner discount. Rates may vary by state. 5% compound inflation protection is also available at an additional cost.



## How do I determine what I need?

Everyone has unique circumstances, and the options for covering long-term care costs can get confusing. The good news is, you have access to highly experienced agents at New York Life, who can answer your questions and help you design a customized solution to meet your needs and budget. And as an AICPA member, you and your family may even receive a special discount on long-term care insurance.

## Why choose New York Life?

New York Life has protected families like yours for more than 175 years, so you can count on them to be there when your family needs them most. Since 1845, they've seen generations through turbulent times and market ups and downs. And, New York Life has been awarded the highest ratings for financial strength currently awarded to U.S. life insurers by the leading independent rating services:

**A++**  
(highest rating)

"Superior"  
A.M. Best

**AAA**  
(highest rating)

"Exceptionally Strong"  
Fitch

**AA+**  
(second-highest rating)

"Very Strong"  
Standard & Poor's

**Aaa**  
(highest rating)

"Highest Quality"  
Moody's Investors Service



Individual Third-Party Ratings as of 6/22/2022. This report indicates the overall financial status of companies at a particular date and is not a recommendation of any specific policy provisions, rates, or services.

# Get Started Today.

Talk to your New York Life agent about your options and explore customized solutions.

Questions for your New York Life agent. Here are a few to get you started:

*What is the cost of waiting?* \_\_\_\_\_

*What's involved in the medical underwriting?* \_\_\_\_\_

*How do I protect against inflation?* \_\_\_\_\_

*Who is eligible for the discount?* \_\_\_\_\_

*How do I get started?* \_\_\_\_\_

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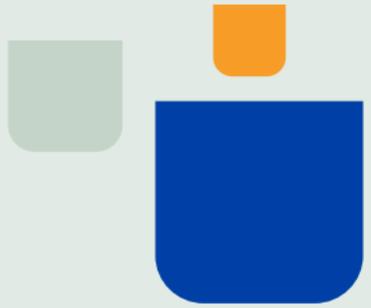
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The purpose of this material is solicitation of individual insurance. An insurance agent may contact you. Policy forms [ICC18-LTCD PLCY (0218), LTCD PLCY (0218), LTCD-U PLCY (0218), ICC14-LTC6, LTC6, LTC6-U], and any state-specific, are issued by New York Life Insurance Company, New York, NY. The policies have exclusions and limitations. Underwriting approval is required to purchase coverage and a medical exam may be required. The company reserves the right to increase premiums in the future. For cost and complete details of the coverage, contact your agent or the company. New York Life Insurance Company has the sole financial responsibility for its own products.



Find out more about  
the long-term care  
insurance options  
available to you.

Contact your New York Life agent today.

