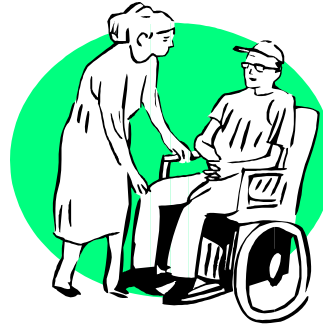


## What Is Long Term Care Insurance?

### INSIDE THIS ISSUE:

*Long Term Care Insurance:  
What is it? Do I need it?  
How much does it cost?*

*Scams and Frauds:  
If it sounds too good to be  
true, it probably is!*



**Long term care insurance** has become an important consideration for everyone's financial plan due to the ever increasing costs of long term care services.

**Long term care** addresses a wide range of long term care and supportive services for people who may have cognitive impairment or who are unable to accomplish certain activities of daily living over an extended period of time (90 days or longer). These include activities such as bathing, continence, dressing, eating, toileting, and transferring.

**Long term care services** can be provided in a variety of settings, including your home, assisted care facilities or nursing homes.

**Long term care services** can be very expensive. Here are some sobering statistics: Long term care insurance is rapidly becoming a necessity. The average cost of nursing home care is approximately \$60,000 a year.\* At-home health care is no easy solution either. For example, home care costs can range from \$50 to more than \$200 a day.\*

### Some Options

**Self-insure.** This means you would pay-as-you-go and "spend down" your own assets when you require long term care. For example, if you have equity in your home, you could re-finance it at the then current mortgage rates. The danger is that this money you've worked for all of your life—your savings and investments nest egg—could be depleted due to the high costs of long term care.

**Rely on care from friends and family members.** This involves many complications, including their time, their skills, their physical strength, their financial ability to care for you, the emotional toll on both the caregiver and the care receiver, and the challenge of geographic distances.

Fortunately, there are options like long term care insurance policies that can help protect you.

\*Source: (Chicago Tribune, 6/19/01)

---

# Long Term Care Insurance

(Continued)

---

## How Much Does Long Term Care Insurance Cost?

**Long term care insurance** is not as expensive as many people think. Many options can be customized to fit your specific needs and budget. The actual cost of your coverage will depend on a number of factors including:

- Your age when you apply
- Your health
- The length of time during which covered benefits would be available
- Specific policy features and benefits you select
- Any discounts you are eligible for

**Many people have found** effective ways to pay the insurance premium, including:

- Interest from general savings
- Dividends
- Annuity income

**Tip:** *Most companies will consider your actual age at the time of your application, while others base their rates on age nearest birthday. So if you have a birthday coming up, now is the time to apply to "save your age" which will save you premiums over the lifetime of the policy!*

The old saying, "you get what you pay for", applies here. Long-term care insurance is the one insurance product that you do not necessarily want to get the best price on. Most major, reputable carriers price their products in the same ballpark. If you find a carrier charging considerably less, that should cause you some concern as to future premium stability.

*"It is unwise to pay too much, but it is worse to pay too little. When you pay too much, you lose a little money - that is all. When you pay too little, you sometimes lose everything because the thing you bought was incapable of doing the thing it was bought to*

*do. The common law of business prohibits paying a little and getting a lot. It can't be done. If you deal with the lowest bidder it is wise to add something in for the risk, and if you do that you will have enough to pay for something better." John Ruskin*

Many people think that they will save money spent on premiums if they just wait to buy long-term care insurance. This is absolutely untrue. The longer you wait, the more you will pay in premiums over your lifetime.

### Each year that you wait:

- Increases the annual cost of the insurance because you have to buy a higher daily benefit due to the fact that the cost of long-term care has gone up.
- You are a year older so your premium will increase.
- You are at risk in the event you have a health change and cannot qualify for coverage.

**Example:** *The following example uses a long-term care insurance policy that includes \$150 daily benefit, four-year benefit period, 90-day elimination period, and inflation protection with a major carrier.*

*Bob, 50 years old, purchased insurance, the annual premium would be \$1,338.75. If he paid this premium until he was 85 years old, he would have paid in a total of \$46,856.25 in premiums.*

*If he waited just five years to purchase the same policy the annual premium would be \$1,974.37. The increased premium takes into account that Bob is now five years older and he has to purchase a higher daily benefit since the cost of care has increased. If he paid until he was 85 years old he would have paid in a total of \$59,231.10.*

*Waiting five years cost Bob an extra \$12,374.85 in premiums over his lifetime..... it did not save him a single penny! In fact, he was also uninsured for five years.*

---

# Scams & Frauds: Seniors Beware

---

**If it sounds too good to be true, it probably is.** That should be the mantra of every older American. Seniors are a favorite target of con artists, and many have lost hundreds, even thousands, of dollars to a wide variety of schemes.

Too often, we've heard of trusting retirees who have lost their life savings to a scam. The trouble is, the con artist is often hiding behind a business suit, telephone line, or computer terminal.

How can you avoid getting scammed? Knowledge is key. Here are some of the top scams used to bilk seniors of their money.

**Free vacation scam.** If you've gotten a call, letter, or postcard announcing a free, five-day vacation in sunny Bermuda or Hawaii, don't fall for it. There's a catch, and a scam. You may be required to pay a travel club membership of \$200. Most clients never receive anything or end up in substandard accommodations. By the time you call to complain, the con artist has moved on.

**Charity fraud scheme.** Throughout the year, but most of all during the holiday season, you probably get appeals by telephone or mail urging you to contribute to a worthy cause. You can check out [www.give.org](http://www.give.org), a Web site for the Better Business Bureau and the National Charities Information Bureau, for warnings.

**Investment schemes.** If you've gotten calls or E-mails with offers to get rich quick, don't fall for it. The only people getting rich are the ones behind the scams.

Remember, *let the buyer or investor beware.*

## Research

A couple of web sites to check out are:

- [Better Business Bureau](http://www.bbb.org) (www.bbb.org)

The Better Business Bureau site offers news alerts, consumer advice, and contacts

for reporting businesses.

- [FirstGov for Seniors](http://www.seniors.gov) (www.seniors.gov)  
This site offers you the latest news and information on a variety of topics and a special section on consumer protection. Check out this site for the latest in con schemes. You can even file a complaint on this site.

- [Identity Theft](http://www.consumer.gov/idtheft) (www.consumer.gov/idtheft)  
This is the place to go if you think someone has stolen your Social Security number or ID.

## Telemarketing Law

You're getting ready for bed and the phone rings. Thinking this is an emergency, you answer the phone - only to find a telemarketer or worse, a pre-recorded message. Sound familiar? Fortunately for you, the Federal Communications Commission is taking aim at abusive telemarketers. The National Do Not Call Registry is open for business, putting consumers in charge of the telemarketing calls they get at home. The Federal Government created the national registry to make it easier and more efficient for you to stop getting telemarketing sales calls you don't want. You can register online at [www.donotcall.gov](http://www.donotcall.gov) or you can call toll-free, 1-888-382-1222 (TTY 1-866-290-4236), from the number you wish to register. Phone registration will open to the entire nation on July 7. Registration is free. The FCC will begin enforcing the National Do Not Call Registry on Oct. 1, 2003. Placing your number on the National Do Not Call Registry will stop most, but not all, telemarketing calls.

## Stopping Junk Mail

If you're tired of all the junk mail, you may request the Direct Marketing Association, a trade group of telephone and mail marketers, to remove your name from national contact lists. Your name will remain on the "do-not-mail" list for five years. After that, you may re-register. Mail your requests for removal to Mail Preference Service, P.O. Box 9008, Farmingdale, NY 11735-9008.

**Heritage America**  
**11022 Southwest Hwy**  
**Palos Hills, Illinois**  
**60465**

**(708) 974-3232**  
**(708) 974-3294 fax**

**We're on the Web!!!**  
**Visit us at:**  
**Www.**  
**heritageamerica.**  
**com**

TO:

**ARE YOU READY FOR A MEDICAID SPEND-DOWN?**  
**THE HERITAGE AMERICA 'APLLC' CAN HELP**

**THE MEDICAID FACTS**

◇ Medicaid was designed by the federal government to provide nursing home care to those who "qualify".

◇ To "Qualify" you must liquidate and spend ALL of your assets except "Exempt" assets.

◇ Assets you must spend include: All of your Cash, CDs, Mutual Funds, Stocks, Bonds, Life Insurance, IRAs, Pensions, Annuities, Real Estate, Antiques, etc.

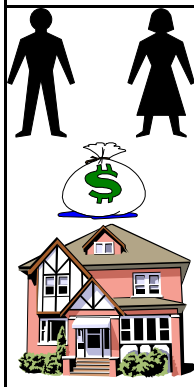
◇ "Exempt" assets include personal property and about \$2,000. If you are married, your home, one car, and about \$80,000 of other assets are exempt - during your lifetime.

◇ After the death of you and your spouse, Medicaid will place a claim against your estate to take back anything they paid on your behalf. At this point, your home, and any remaining assets, may be confiscated by Medicaid.

◇ Assets used for "self-support" in a business are classified as an "Exempt" asset and Medicaid can not force it to spend it's assets!

◇ Assets in the APLLC can NOT be confiscated by Medicaid after your death - the assets inside of it are SAFE!

**Assets Placed in an APLLC Are Safe !!!**



**Asset Protection Limited Liability Company**

- ◆ You Stay In Control Of Your Assets.
- ◆ This "Business Device" Will Protect Your Assets From A Medicaid Spend-Down.
- ◆ A Nursing Home Can Not Reach The Assets.

**The APLLC Provides Other Benefits!!!**

**Asset Protection Limited Liability Company**



- ◆ Income flows back to you!
- ◆ If you go into a nursing home, your home becomes "rental property" and provides you income.
- ◆ If tax "losses" are generated, they flow out to your personal return.
- ◆ Adding a "living trust" allows you to pass control to your heirs, and avoid an "Estate Recovery".

**For more information on the 'APLLC'**  
**Please contact your Heritage America representative**  
**Or the home office at:**  
**(800) 487-8780**