



Long Term Care University

Long Term Care University – Question of the Month

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Q: Will long term care insurance pay for my care if I develop Alzheimer's disease or dementia?

The Problem – Alzheimer's Disease and Dementia

Alzheimer's disease and other forms of dementia devastate the patient and their loved ones, as they may require 24 hours of care and supervision. On May 6, 2012, The New York Times published an article entitled, "*When Illness Makes a Spouse a Stranger*". The article highlights a couple dealing with frontotemporal dementia — "a little-known, poorly understood and frequently misdiagnosed group of brain diseases that eat away at personality and language." It goes on to say, "Although it was first recognized more than 100 years ago, there is still no cure or treatment, and patients survive an average of only eight years after the diagnosis". It afflicts at least 50,000 to 60,000 people in the United States.

According to the Alzheimer's Association, an estimated 5.4 million Americans have Alzheimer's disease (in 2011). Of the 5.4 million, 5.2 million were aged 65 and older and 200,000 had younger-onset Alzheimer's. **A staggering one in eight people aged 65 and older (13%) have Alzheimer's disease. Nearly one in two people aged 85 and older (43%) have Alzheimer's disease.** By 2030, the number of people aged 65 and older with Alzheimer's disease is estimated to reach 7.7 million – a 50% increase from the 5.3 million aged 65 and older currently affected.

The Solution – Long Term Care Insurance that Covers Alzheimer's Disease and Dementia

Many long term care insurance policies will pay for your care if you have a severe cognitive impairment, such as: dementia, Alzheimer's disease, short or long term memory loss or poor judgment of safe or unsafe situations. Before purchasing a long term care insurance policy, verify that the policy will pay for your care in a facility as well as your own home.

According to the American Association for Long Term Care Insurance, nearly 25% of long term care insurance claims are initially attributable to Alzheimer's disease. The next most common conditions are: stroke at 9%, arthritis at 9%, injury at 9% and circulatory problems at 9%. These were followed by cancer at 8%, nervous system issues at 6% and respiratory issues at 5%.

One of the largest long term care insurance companies published a presentation based on almost 150,000 paid claims. **Using over 35 years of data, 49% of all claim dollars were paid to those with mental disorders including dementia.** Its longest claim was almost 18 years long, while its largest single claim was \$1.2 million. While its youngest claimant was 27 years old and its oldest claimant was 103, the average age of its claimants was 78.

Qualifying for a Long Term Care Insurance Policy: Don't Wait

Although most applicants are approved for long term care insurance there are a number of health conditions that can disqualify applicants. Insurance companies ask you to not apply if you have Alzheimer's disease, dementia or frequent forgetfulness or memory loss. Unfortunately, dementia and memory loss generally progress with age – reducing your chances of qualifying for a policy.

Based on your age, most companies conduct their due diligence by assessing your cognitive skills through a short interview and short memory test. The process is designed to weed out those exhibiting cognitive impairment. Fortunately for policyholders, and unfortunately for insurance companies, most policies are issued as guaranteed renewable. **Guaranteed renewable means you cannot be dropped you as long as you pay your premium - even if you are you are diagnosed with a condition that may takes years to fully develop, such as dementia.**

Action Step – Purchase Your Long Term Care Insurance Policy When You are Young and Healthy

Purchase your long term care insurance policy when you are both mentally and physically healthy, assuring you will be approved.

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