

5 REASONS TO HELP DOCTORS AND NURSES WITH LONG-TERM CARE PLANNING



NOV 11, 2014 | BY JAMES SPEIR

Long-term care is an increasingly important and rapidly changing component of today's health care delivery system. The increasing need for these services is creating significant budget concerns for federal and state governments, as well as straining family finances. The cost of care continues to increase and so does the probability of using it. Most long-term care studies indicate that greater than 60 percent of people 65 years old and older will need some form of long-term care such as home care, assisted living, adult day care, and nursing home care.

With the probability of long-term care so high, people need to protect themselves from that financial burden in the future. However, most people don't. Unless you are a doctor or nurse providing patient care, you are not confronted with this daily. It is out of sight and out of mind. It is uncomfortable to think and talk about declining health or death. So people avoid the topic and planning.

Consequently, as a financial and insurance professional, there are five good reasons to promote long-term care coverage to doctors and nurses.

1. DOCTORS AND NURSES ARE ON THE FRONT LINES.

Many doctors and nurses work with older adults in their practices. They are keenly aware of the health issues their patients struggle with that progressively get worse as they age. In addition, patients live longer due to the advances in medical care.

In my experience working with doctors and nurses, they are empathic to the illnesses their patients are afflicted with. They see their caregivers bring them to appointments, and they hear the stories of declining health and the need for additional care at home.

2. DOCTORS AND NURSES ARE AWARE OF THE COST OF MEDICAL CARE.

Doctors and nurses see the many health issues experienced by their older adult patients on a daily basis. They are also aware of the rising cost of care, including long-term care, and it continues to increase at a faster pace than inflation. Often times, they know that the younger and healthier they are the cheaper a plan will be. With all of this in mind, it is an opportunity to promote some form of long-term care coverage sooner than later. However, you as the agent or advisor need to be the one to show them what coverage options are available to them.

3. DOCTORS AND NURSES MAY HAVE MORE LONG-TERM CARE COVERAGE OPTIONS.

Doctors and nurses may have more coverage options available to them as a result of their income and asset levels. These options may include: traditional long-term care insurance, single-premium universal life policy with living or long-term care benefits or an annuity with long-term care coverage.

A traditional long-term care insurance policy if purchased at a younger, healthier age, say 40s or 50s, can provide good coverage later in life. The risk, as you may know, is that premiums can rise from time to time and if the policyholder never files a claim they receive no benefit. Similar to your auto and homeowners coverage.

However, a doctor or nurse with available non-qualified assets might consider a different scenario and a different plan. They can choose to purchase a single-premium universal life policy with long-term care benefits or an annuity with long-term care benefits. The interest earned on the above programs will pay for cost of the life and/or long-term care benefits and also provide a death benefit in the event there is never a long-term care claim. Essentially, there is no loss of premium in this scenario. The death benefit in the life policy is tax free: the annuity value will pay out to the beneficiary and will only be taxed on the interest accumulated.

With the above options, there is no risk of increasing or losing any premium as a result of death. In my experience, this is very appealing to health care professionals I work with.

4. DOCTORS AND NURSES KNOW THE PROBABILITY OF CARE.

Based on experience, doctors and nurses and other health care professionals understand there is a high probability they will need some form of long-term care later in life. However, doctors and nurses are focused on patient care. As a result, they may not be focused on managing long-term care for themselves. Self-insuring for long-term care is essentially doing nothing and can endanger ones retirement planning. This happens when people can't afford to do anything or they don't investigate the options. Often I find doctors and nurses may choose not to purchase long-term care products imagining their substantial income and assets will suffice. In circumstances like this, pointing out the high cost of care and its impact on one's estate provides an impetus for doctors and nurses to investigate their options.

5. DOCTORS AND NURSES WANT TO PROTECT THEIR SPOUSE AND FAMILY FROM THE BURDEN OF LONG-TERM CARE.

Doctors and nurses typically have substantial income and assets; however, that is not true in every circumstance. They are conscious of the monetary and emotional cost and are eager to reduce that cost and burden for their spouse and family, but they are in need of guidance. We, as financial professionals, can present them with the coverage options that make sense for their financial situation and family needs.

Timing is key. The best decade for a positive premium return on long-term care policies turns out to be in your 50s, during which you will get the highest care benefit values compared to if you had purchased it in your 60s or 70s. Individuals purchase a portfolio of insurance and retirement policies: a wisely created portfolio fits current and future needs.

These experiences in the careers of doctors and nurses have such an impact on them and provides an opportunity for us as financial and insurance professionals to assist and educate them to protect themselves and their family.



James Speir, Founder of Speir Financial Services has been providing his clients with financial services and meeting their insurance needs for over a decade.

For more information, please call 888-458-0667 or visit www.speirfinancial.com.