

2014 NATIONAL LONG-TERM CARE INSURANCE PRICE INDEX

May be reported with credit to American Association for Long-Term Care Insurance, www.aaltci.org

Price analysis of leading long term care insurers. Conducted January 2014. Resident of TN, rates vary by state and subject to change.

The "Good - Better - Best" Approach To Long-Term Care Planning

	Immediate Value of Protection ²	Value of Protection At Age 80 ³	Value of Protection At Age 85 ³
GOOD	\$ 164,000 each	\$ 164,000 each	\$ 164,000 each person/spouse
Good = Buying a Pool of dollars that can be supplemented with savings, income.			
BETTER	\$ 164,000 each	Higher if future increases options accepted	
Better = Coverage you can add to later where health qualification won't get in the way			
BEST	\$ 164,000 each	\$ 325,000 each	\$ 365,000 each person/spouse
Best = Coverage that grows at 3% compounded annually			\$ 730,000 total policy protection

SINGLE MALE AGE 55 *'Sex Distinct' rates were not used in January 2013*

Premium (preferred health)

GOOD	\$ 925/year	2014 Range of policy prices: Low: \$915 High: \$1,200 (31% difference between)
BETTER	\$ 1,045/year	Not many offer this option and spreads are pretty close
BEST	\$ 1,765/year	2014 Range of policy prices: Low: \$1,410 High: \$2,525 (79% difference between) 2013 Average: \$2.065 (a 14.5% Decrease 2013 to 2014; 2013 represented 'unisex' rates)

SINGLE FEMALE AGE 55 *'Sex Distinct' rates were not used in January 2013*

Premium (preferred health)

GOOD	\$ 1,225/year	2014 Range of policy prices: Low: \$990 High: \$1,720 (74% difference between)
BETTER	\$ 1,350/year	Not many offer this option and spreads are pretty close
BEST	\$ 2,307/year	2014 Range of policy prices: Low: \$1,730 High: \$3,620 (109% difference between) 2013 Average: \$2.065 (a 11.8% Increase 2013 to 2014; 2013 represented 'unisex' rates)

COUPLE BOTH AGE 60

Premium (Combined cost for couple / standard health)

GOOD	\$ 1,980/year	2014 Range of policy prices: Low: \$1,950 High: \$4,100 (110% difference between) 2013 Average: \$1,816 (a 9% increase 2013 to 2014)
BETTER	\$ 2,220/year	2014 Range of policy prices: Low: \$1,950 High: \$3,040 (55% difference between) 2013 Average \$1,942 (a 14% increase 2013 to 2014)
BEST	\$ 3,840/year	2014 Range of policy prices: Low: \$3,0250 High: \$6,500 (114% difference between) 2013 Average \$3,725 (a 3% increase 2013 to 2014) 2012 Average \$3,663 (a 4.8% increase over the 2 years -- 2012 to 2014)

Calculations based on: \$150 daily benefit selected at inception of plan, 3 year benefit period, 90-day elimination period, 100% home care benefit. Where inflation growth included, factored at 3% compounded annually. Includes spousal discount (where applicable) and standard health rating.

² Equals available cash value of benefits that would be paid for claim starting at present age (an almost immediate claim).. Companies use different criteria. The values can range from \$162,000 in benefits to as much as \$200,000 (we reflect \$164,000; the most common factor).

³ Equals available cash value of benefits that would be paid. BEST scenario based on 3% annual compound growth of policy benefits.