

FOCUS on LONG TERM CARE

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WASHINGTON TAKES A STAND ON LTC

Mothers' Day allows us to recognize and hold dear the indispensable love and care that mothers give to their children. It also allows us to acknowledge the many contributions that mothers and women throughout the country provide as caregivers.

This is especially true when it comes to long term care. Women are the ones who provide most of the long term care that's given in this country. And it's women who are most likely to require long term care services.

Paying for long term care remains the largest unfunded liability facing the baby boom generation — and their parents. Given that the average annual cost of a nursing home stay is more than \$50,000, it's easy to see how the cost of long term care easily can cause considerable financial hardship for American families. That's why private long term care insurance is so important — it can defray these often catastrophic costs, and it allows

people the freedom to choose where they want to receive long term care services.

We are grateful to Senators Susan Collins and Blanche Lincoln, and Representatives Nancy Johnson, Karen Thurman, and Donald Manzullo — and the many caregivers who are appearing with them — for calling attention to long term care and the importance of long term care insurance. Mothers and women throughout the country — and those who love them — would benefit immensely from legislation that they're sponsoring (H.R. 831/S. 627) that would provide tax relief for purchasers of private long term care insurance, and a tax credit for long term caregivers.

If this is an important issue to you, please give your representative a call, or send an e-mail to firstname.lastname@mail.house.gov (fill in your representative's first and last name). □

Taken from www.HIAA.org/newsroom/pressreleases.

May 10, 2001

OUR PLEDGE OF SERVICE



Mark Iglehart
LTC Program Manager

At the FTJ Long Term Care Insurance Evaluation Service, we pledge:

- **TO** deliver helpful and accurate information.
- **TO** make objective recommendations on plan suitability and options.
- **TO** allow members to make decisions at their own pace.
- **TO** be available to policyholders for ongoing service and advocacy.

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ARE YOU A PROCRASTINATOR?

Long term care insurance premiums may be more expensive if you wait to purchase coverage. Premiums are tied to purchase age, health status, as well as plan design. Each year of waiting means there is no coverage in place, plus you must account for the effects of inflation on coverage needs.

Check out the chart below to see the difference waiting 10 years to purchase coverage can make on premiums paid to age 80. (Example rates are based on average rates from several carriers on the following plan design: 5% compound inflation benefit, 90 day elimination period, spousal and preferred discounts, comprehensive coverage*, and plan benefit maximum equal to 1460 days x the daily benefit maximum.)

	Purchase at age 55	Purchase at age 65
Starting daily benefit maximum	\$80/day	\$130/day
Daily benefit maximum at age 65	\$130/day	\$130/day
Annual premium	\$600	\$1920
Annual premium paid to age 80	\$15,000	\$28,800
Cost of procrastination	Zero	\$13,800
Approximate daily benefit maximum at age 80	\$270/day	\$270/day
Total plan benefits available at age 80	\$394,200	\$394,200

**Comprehensive coverage includes home health, assisted living and nursing facility.*

Did You Know...?


More than 54 million adults have provided care to a family member or friend during the past year.

(According to the National Family Caregivers Association in Kensington, Maryland.)

Over 20 states provide either a state income tax deduction or credit to individuals who have purchased tax-qualified long term care insurance plans. Amounts vary by state.

(From the American Council of Life Insurers.)

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