How Important is the Benefit Period of Your LTCI Policy?

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Long term care insurance policies have four major components which buyers should study very well to ensure themselves of the appropriate coverage. One of these components is called the long term care insurance benefit period which is defined as the amount of time that your policyâ€™s benefits are payable.

If youâ€™re just reading articles about the benefit period of a long term care insurance (LTCI) policy, you might think that it does not require much thought. However, when youâ€™re actually in the process of working out a personalized LTCI policy you will realize that your benefit period is a very important aspect.

Longer benefit periods would equate to higher annual premiums while shorter ones are equivalent to lower premiums. As much as possible, everybody would want to have a longer benefit period such as five years. Perhaps receiving lifetime coverage would be much better but this would require a chunk of money for the annual premium.

Insurance companies that are marketing LTCI policies normally offer benefit periods of two years up to 10 years. According to nursing home staff, most of their elderly residents stay for two and a half years or sometimes three. Meanwhile, those with Alzheimerâ€™s stay longer so if your familyâ€™s health history shows that you are genetically predisposed to this type of sickness you have to start planning your LTC early, lest you risk losing all of your assets to years of care.

Long Term Care Insurance Benefit Period

Although a longer benefit period is considered expensive, itâ€™s different if youâ€™re sharing it with a spouse.

Married couples who buy joint LTCI policies can receive spousal discounts. Aside from this, they can also opt for a â€œshared careâ€• benefit which doubles their policyâ€™s maximum benefit period. Sa coupleâ€™s policy stipulates a three-year benefit period, the â€œshared careâ€• benefit will make this six to be equally divided between the couple. In the event that one of them would need four years of care, thereâ€™s two-year coverage left for the other one.

Now if youâ€™re unmarried it does not mean that you cannot obtain a good benefit period for a reasonable premium. Buyers of Partnership LTCI policies can settle for a three-year benefit period and should they require ongoing care after having reached the end of their coverage period they can apply for Medicaid assistance without complying with the programâ€™s spend-down rule.

If you purchase a Partnership qualified LTCI policy you are, in effect, gaining yourself an access to lifetime coverage without paying a chunk of cash for your annual premium.

However ideal it always is to have a longer benefit period, professionals on the field of LTCI say it is not a must and not every single American will require care for a number of years. Some would only need a couple of months to a year, others might need three years while there are those who will inevitably require 10 years of care.

To determine your long term care insurance benefit period, you have to identify your future health care needs first and this is only possible if you would take time to study your familyâ€™s health history and correlate it with the present state of your health.

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