



LONG TERM CARE ASSOCIATES, INC.

Full Circle

CAREGIVING – THE CIRCLE OF LIFE

Winter 2009

800-422-2655

Well, they say it's better the second time around. That's true for my husband, Mark, who won the race for DA of Cortland County in the November election. After a grueling six months of campaigning, with the most wonderful team of people, he won the race by over 1400 votes. We are looking forward to the next four years and the friendships of a lifetime that we have made.

Other News- We are still able to take care of my dad at home but my mother recently broke her pelvis and is recuperating in a nursing home in NYC. So now I am a long distance caregiver as well. I am also sad to report that we lost our dog, Harry, who would have turned 17 next month. But on a happy note, we have a new puppy named Groucho.

Now, let's talk about the economy. There are two things you can do to ride out this daunting period of uncertainty and preserve your retirement funds. More than at any other time, you need protection products like long-term care insurance and annuities.

With assets shrinking, it might not be feasible to say that you can self-insure and know for certain that you can pay for the care that you might need in the future. Long-term care insurance will eliminate the risk to your remaining assets thereby eliminating the risk to your family's income and lifestyle. If you have been thinking about the coverage, there are many plans to investigate that are comprehensive and affordable. Remember the purpose of long-term care insurance is to protect your family from the emotional and financial **consequences** of a long-term care illness.

How would you like a guarantee that you will have the necessary income to pay your expenses, such as your long-term care insurance premium, and still maintain your lifestyle? A guaranteed principal annuity is worth looking into. This type of product will guarantee no loss of your principal, choice of payment options, and interest rates that will not fluctuate with the market. We represent a variety of companies whose financial ratings have recently been reaffirmed.

CALL US TODAY, TO LEARN MORE.

Long Term Care Associates, Inc. will always be dedicated to serving your needs and the needs of your family. Ann, Naomi and I wish you the very best for the New Year.

*"If you don't mind,
it doesn't matter"*

-Jack Benny

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NEW INFLATION PROTECTION OPTION

In an effort to make premiums more affordable for consumers, companies have introduced several different inflation options to choose from. In this issue, we'll discuss inflation protection based upon the Consumer Price Index.

This inflation option ensures that you get compound inflation protection cost-effectively. Annual increases are based on changes in the Consumer Price Index (CPI), which is the measure most widely used to determine inflation. The CPI tracks the price of goods and services and is often used to provide cost-of-living wage adjustments to employees. The CPI is linked to housing and labor costs, and also to Social Security and pension plan benefits. Based upon a 30 year study by the Bureau of Labor Statistics, the average annual increase in the CPI has been 4.2%.

As a long-term care insurance inflation option, the CPI increases your benefits even during periods of the highest inflation, and if the CPI decreases the benefits remain level until the CPI increases again. There is no limit to the level that benefits can increase. If we use the average 30 year CPI increase of 4.2% mentioned above, a daily benefit of \$100 purchased in 1977 would have increased to \$341 in 2007.

The difference in cost between the CPI and the 5% compound inflation protection, which is the highest fixed inflation option you can select, is approximately 33%. The CPI is good to consider at any age depending upon your financial circumstances.

Please call us to learn more about different inflation options and how they can affect your premium.

COST OF LONG-TERM CARE TO SKY ROCKET AS BOOMERS AGE

According to the Office of Management and Budget and USA Today research, 2/08:

- U.S. and state governments spent \$979 billion on senior benefits in 2007 – an increase of 35% from 2000 with inflation adjustments.
- Medicare experienced a 55% increase in average payments to seniors from 2000 to 2007 with inflation adjustments.
- Senior care counts for 34.9% of the federal budget as compared to 20.2% for defense!

2009 TAX DEDUCTIONS AND CREDITS ON LTCI PREMIUMS

Following are the allowable tax deductions on federally tax-qualified plans for 2009, once your medical deductions exceed 7.5% of your adjusted gross income. The deductions are based on your age before the close of the 2009 taxable year.

40 or less	\$320
More than 40 but not more than 50	\$600
More than 50 but not more than 60	\$1190
More than 60 but not more than 70	\$3180
More than 70	\$3980

NYS will still offer a 20% tax credit on your tax-qualified long-term care insurance premiums.

2009 MEDICARE PREMIUMS, DEDUCTIBLES AND CO-PAYS

Part A Monthly Premium:	\$443 (free for most individuals)
Part B Monthly Premium:	\$96.40 (paid by most individuals)
Part A Deductible:	\$1068
Part B Annual Deductible:	\$135
Nursing Home Co-Pay:	\$138 (days 21 through 100)

WOMEN'S ISSUES:

- Women on average live eight years longer than men.¹
- Women are likely to inherit twice in their lives – once from their parents and another from their husbands.²
- 7 in 10 caregivers are women who provide 18 hours of care to a relative in a week.³

These issues bring out the need for women to develop a comprehensive financial plan that will provide for a comfortable retirement and strategies to deal with long-term care.

FINANCIAL RATINGS

In this economic climate, it is important to do your due diligence when it comes to selecting the company that you would like to purchase your long-term care insurance from. Following are financial ratings of carriers that market long-term care insurance.

	John Hancock	Allianz	Genworth	Mass Mutual	MedAmerica	MetLife	Prudential
A.M. Best	A++	A	A+	A++	A-	A+	A+
Moody	Aa2	A2	Aa3	Aa1	NA	Aa2	Aa3
S&P	AAA	AA-	AA-	AAA	A-	AA	AA-

TIPS FOR CAREGIVERS

1. Choose to take control of your life
2. Be good to yourself
3. Gather information
4. Be open to new strategies
5. Seek and accept help
6. Grieve and dream
7. Try not to feel guilty
8. Trust your feelings and intuition
9. Remain open to discuss the situation
10. Give yourself the credit you deserve

Refer a friend or family member who you care about.

¹ Genworth Financial Insurance Company of New York

² Genworth Financial Insurance Company of New York

³ National Alliance for Caregivers

ASK SUSAN:

Q: What is a Shared Benefit for couples?

A: When a couple purchases non-partnership individual policies, there are companies that allow you to add a rider that lets you tap into each other's benefits should one of you exhaust your own. This is called a Shared Care Rider. It takes into consideration the probability that one of you could have a long-lasting illness such as Alzheimer's and could need extra years of coverage.

Another policy design option that allows for this flexibility is to share one policy. A couple selects a pool of years that can be shared between the two of them.

LONG-TERM CARE INSURANCE AS PART OF A DIVORCE SETTLEMENT

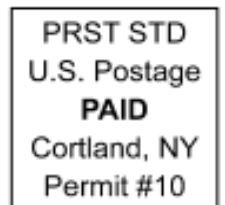
Every couple walking down the aisle makes the commitment to be together forever but divorce rates are still at 50%. The financial, social and emotional hardships caused by the break-up of a marriage to a family can be overwhelming. This is especially true when it comes to long-term care planning.

A husband and wife can no longer count on each other to be primary caregivers. Adult children tend to be called upon to assume more of that responsibility and this can be very difficult if their parents live in different geographic locations. The diminished income each spouse has due to the divorce can make it more difficult to select the setting of care that would be most desirable if illness were to occur.

There are several reasons for purchasing long-term care insurance before finalizing a divorce.

- Higher discounts are available to married couples, yet each policy is individually owned.
- Helps adult children manage possible long distance caregiving.
- Preserves lifestyle and legacy.

Long Term Care Associates, Inc.
31 Greenbush Street
Cortland, NY 13045



*"A new year is unfolding –
like a blossom with petals
curled tightly concealing
the beauty within."*

-- Anonymous