

# Long Term Care Insurance, Explained



## Executive Summary

Our population is getting older, and the life expectancy in this country continues to grow. Today, 65-year-old Canadians live on average to age 87 (men) and 89 (women). As people age, their health care needs continue to rise.

Long Term Care Insurance assists with the costs of aging. Like Disability Insurance which pays a regular cash benefit to replace income, it covers the costs associated with diminished health.

You should consider Long Term Care Insurance if you are concerned with:

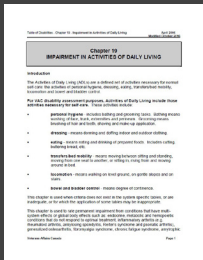
- government healthcare benefits not providing the type of care you desire
- wanting increased flexibility to decide the level of care you receive
- increased healthcare costs that could erode your savings

## What you Need to Know

Most Canadians would prefer to stay in their homes for as long as possible as they age, even as their health deteriorates. However, their ability to perform Activities of Daily Living (ADLs) lessens, placing pressure on able-bodied spouses, adult children, and other family members.

ADLs include activities necessary for self-care:

- personal hygiene – bathing and grooming
- dressing – for both indoors and outdoors
- eating – consuming food and drink, not preparing or cooking
- transferring – moving, sitting, standing, in/out of bed
- locomotion – walking on flat-ground or gentle slopes and up/down stairs
- toileting – bowel and bladder control



## RESOURCE

Veteran Affairs Canada has an excellent explanation of the Impairment of Activities of Daily Living

[http://www.veterans.gc.ca/pdf/dispen/tod2006/chapter\\_19\\_2006.pdf](http://www.veterans.gc.ca/pdf/dispen/tod2006/chapter_19_2006.pdf)



The cost of in-home care or assisted living facilities to counteract the loss of ADL function can be substantial and can persist for a significant amount of time. As the impairment of ADL function increases, so does the need for more care, and moving to a long term care facility may be considered.

Long Term Care Insurance typically pays a monthly cash benefit if two or more ADL functions are severely diminished.

## Bottom Line

Like all insurance plans, Long Term Care Insurance requires an application. There may be additional questions based on your application, age, or existing physical capabilities, and an interview could also be needed. Let us guide you through the entire application process.

**Have Questions?**

Contact Robert Montague CFP®, CIM, at 519-822-2610 or email [rmontague@royalcitic.ca](mailto:rmontague@royalcitic.ca).