



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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*Commissioner's Corner*

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**By Sandy Praeger**

## Long-term care considerations appropriate for protecting assets

TOPEKA, Kan. — One estimate says that by the year 2030, one out of five Americans will be over the age of 65. We're seeing that shift to an older population now with the retirement of Baby Boomers. Add the fact that Americans are living longer, thanks to advances in medicine, and we will soon have an increased need to make our retirement savings last longer.

And, that doesn't even take into consideration what inheritance we would like to pass on to our families and heirs.

Something that can help provide a sense of security and protection is long-term care Partnership insurance. These types of policies not only help cover expenses down the road, but they also provide protection for some of your assets.

Whether you need long-term care insurance depends on your income, family situation and personal risk factors. For some, a long-term care policy is an affordable and attractive form of insurance, but for others, the coverage is too expensive or the benefits are inadequate. So check with your family members or insurance/tax advisers before you make a decision about this.

The Kansas Partnership for Long-Term Care initiative, which the Kansas Insurance Department helped establish two years ago, encourages Kansans to finance their own long-term care needs and partner with the state-based program as they purchase qualified private long-term care insurance policies.

Long-term care policies are designed to pay some or all of the costs of assisted care, including adult day care, assisted living and in-home services. With qualified Partnership long-term care insurance, Kansans can preserve how and where they use assisted care. Then, once the policy benefits are depleted, part of their assets are protected if they need to apply for Medicaid services.

The plan encourages quality long-term care for all policyholders, promotes personal responsibility and emphasizes financial planning.

Let me give you an example of how the Partnership program works. Let's say you purchase a qualified long-term care policy with \$100,000 in coverage protection. If you use that policy for assisted care, it will cover the first \$100,000 of charges (right now, for Kansas, that's a little more than two years of care).

Then, if you are still in need of assisted services, you can qualify for Medicaid and still be allowed to keep up to \$100,000 in assets, which can be passed on to your family or heirs upon your death. Without such a policy, a person would have to spend down all but \$2,000 in assets before applying for Medicaid.

Right now, there are approximately 4,300 Kansans who are taking advantage of this by having Partnership policies. And, approximately 3,800 of those policyholders are under 70 years of age, meaning that those Kansans are planning ahead.

There are 22 insurance companies licensed to do business in Kansas that offer long-term Partnership plans. Only five of them had designated plans when the program was initiated in our state two years ago, so there's been good progress in realizing the advantages for consumers.

You can find more information about Partnership plans and a link to companies with Partnership endorsements online at [www.ksinsurance.org/ltc](http://www.ksinsurance.org/ltc). For general information about long-term care insurance, you can go to the Kansas Insurance Department Web site, [www.ksinsurance.org](http://www.ksinsurance.org), to print out or request a copy of our publications "Kansas Long-Term Care Insurance" or "Kansas Long-Term Care Shopper's Guide."

Our department's Consumer Assistance representatives are well-versed in answering specific long-term care questions as well. You can visit with one of them by calling (in Kansas) 800-432-2484, from 8 a.m. to 5 p.m. Monday through Friday.

If you are in the market for a long-term care policy, also be sure to ask your insurance agent about the advantages of a Partnership policy.