

2009 Long-Term Care Insurance Prices Rise Slightly, Range Widely

A 55-year-old individual considering a basic level of long-term care insurance protection -- a \$100 daily benefit and three years of coverage -- can expect to pay \$723 a year if married or \$1,060 if single, according to the 2009 Long-Term Care Insurance Price Index, an annual report from the [American Association for Long-Term Care Insurance](#), an industry group.

A 65-year-old purchasing comparable coverage will pay \$1,364 (married) or \$2,028 (single) according to the report. Costs for coverage increased about 2 percent over those [reported in 2008](#).

"For some age bands the cost of long-term care insurance actually declined," notes Jesse Slome, the association's executive director. "What we did see is a far wider range of prices between insurers offering basically the same coverage." According to the Association study, costs can vary by as much as 100 percent. "This could reflect different benefits or simply the individual insurer's pricing assumptions," Slome explains. "Consumers should compare policies or work with a knowledgeable insurance professional who can analyze for them."

The cost for long-term care insurance is closely tied to interest rates, which dictate how much insurers can earn on the premiums they invest. Slome told ElderLawAnswers that "for every one percent drop in interest rates, an insurance company needs a 10 to 15 percent premium increase." Interest rates have declined in recent years.

The annual index measures current costs for top-selling long-term care insurance policies that offer consumers approximately \$115,000 in current benefits (base-level coverage), with protection increasing yearly as the individual ages. The study compares costs for plans that provide benefits for three years or longer and also offer an inflation option that increases the available insurance benefits by five percent compounded each year. "A solid base plan of protection will grow in value to over \$305,000 of protection 20 years from now," Slome explains.

Below is the 2009 price index:

2009 National LTCi Price Index

Average price for a comprehensive long-term care insurance policy (100 percent home care benefit + skilled care coverage) 90-Day Elimination Period with 5 percent Compound Inflation Protection Option

Age **55**

\$100 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$723 per year. Individual Qualifies for Preferred Health and Spousal Discounts

2008 Cost: \$709 per year (2% increase)

Age **55**

\$100 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$1,060 per year. Individual is single (preferred health discount)

2008 Cost: \$1,095 per year (3% decrease)

Age **55**

\$150 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$1,084 per year. Individual Qualifies for Preferred Health and Spousal Discounts

2008 Cost: \$1,064 per year (2% decrease)

Age **55**

\$150 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$1,590 per year. Individual is single (preferred health discount)

2008 Cost: \$1,578 per year (less than 1% increase)

Age **65**

\$100 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$1,364 per year. Individual Qualifies for Spousal Discounts (standard health)

2008 Cost: \$1,342 per year (1% increase)

Age **65**

\$100 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$2,028 per year. Individual is single (standard health)

2008 Cost: \$1,999 per year (1% increase)

Age

65

\$150 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$2,047 per year. Individual Qualifies for Spousal Discounts (standard health)

2008 Cost: \$2,013 per year (2% increase)

Age

65

\$150 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$3,042 per year. Individual is single (standard health)

2008 Cost: \$2,998 per year (1% increase)

Age

65

\$240 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$3,274 per year. Individual Qualifies for Spousal Discounts (standard health)

2008 Cost: \$3,221 per year (2% increase)

Age

65

\$240 Maximum Daily Benefit x 3 Year Benefit Period Cost: \$4,867 per year. Individual is single (standard health)