

Thinking of Self Insuring?

Unfortunately, many people wrongly believe that they can do without long term care insurance by saving the premiums and “self-insuring”.

Even if you can pay your own way, why would you want to throw money away on a nursing home bill? You didn't get to the point of retirement and financial security by making bad decisions and taking ridiculous risks.

The following example illustrates why saving premiums is impractical and will not work to pay your expenses:

Hypothetical Premium/Savings of \$1,895.00 per year		
Think about your potential risk versus the cost of coverage.		
Premium Savings at 8% 31% Tax Bracket	Age	Annual Cost of Care 5% Inflation
\$1,895.00	59	\$43,800.00
\$3,999.00	60	\$45,990.00
\$6,219.00	61	\$48,290.00
\$8,562.00	62	\$50,704.00
\$11,034.00	63	\$53,239.00
\$13,643.00	64	\$55,901.00
\$16,396.00	65	\$58,696.00
\$19,301.00	66	\$61,631.00
\$22,366.00	67	\$64,713.00
\$25,600.00	68	\$67,949.00
\$29,013.00	69	\$71,346.00
\$32,614.00	70	\$74,913.00
\$36,414.00	71	\$78,659.00
\$40,424.00	72	\$82,592.00
\$44,655.00	73	\$86,722.00
\$49,120.00	74	\$91,058.00
\$53,831.00	75	\$95,611.00
\$58,802.00	76	\$100,392.00
\$64,047.00	77	\$105,412.00
\$69,582.00	78	\$110,683.00
\$75,423.00	79	\$116,217.00
\$81,586.00	80	\$122,028.00

After 22 years of saving, you have accumulated approximately enough money to pay for 8 months of care. If you go in sooner than 22 yrs. from now, you won't even have 8 months of care and your lifetime savings will be in jeopardy.

If you were faced with the average 3.1 Year Long Term Care stay, even under the optimal (8% interest) saving conditions shown above, **you would have \$309,110.90 of exposure.**
(Every year in addition to the average 3.1 Year Stay will cost you an additional \$128,129.00/Per Year)

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