

## Executive Summary

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

Long Term Care Insurance is designed to assist with the costs of aging. It is like Disability Insurance that pays a regular cash benefit, but it is designed to cover the costs associated with diminished health (as opposed to replacing income).

Long Term Care Insurance is appropriate if you are concerned that government healthcare benefits will not provide the type of care you desire, if you want increased flexibility to decide the level of care you receive, and if you are concerned that increased healthcare costs could erode your savings.

## What you Need to Know

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

ADL 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

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, increasing amounts of care will be required and a move to a long-term care facility may be considered.

Long Term Care Insurance pays a monthly cash benefit if two of the areas of ADL function are severely diminished, typically. 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)



# Long Term Care Insurance, Explained

## Bottom Line

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

