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Celebrating 40 Years

Long Term Care Insurance Protects Families from Skyrocketing Costs

Riverwoods, IL: May 2015 – Long term care costs for seniors continue to escalate, according to research by leading insurance providers. National averages in 2015 range from almost 18,000 a year for basic adult day health care to over \$90,000 a year for a private room in a nursing home, and those averages reflect widely varying prices based on geography and availability of services. An unplanned long term care event can decimate the most meticulous financial and retirement plans, and place an overwhelming burden on families. For these reasons, the insurance advisors at MAGA, Ltd. consider Long Term Care Insurance (LTCI) to be an essential element of comprehensive financial planning.

MAGA's founder and CEO, Murray A. Gordon, has a unique perspective on these dramatic costs, having been one of the earliest advocates of LTCI when the industry began 40 years ago. "When I founded MAGA Ltd. in 1975, the average cost of nursing home care was \$600 per month, a total of \$7,200 per year," he reflects. "That was 'long term care' as we knew it; home care, assisted living and adult day care didn't exist yet. Today, home care is more popular than nursing home care, but it still runs an average of \$45,000 per year. Add to that the fact that people are living longer, and that fewer family members can stay home to care for loved ones, and the need for LTCI becomes even more vital."

A typical client study illustrates Ruth is a 97 year old great-grandmother who purchased an LTCI policy 18 years ago at her son's urging. Three years ago, still living independently, she recognized that she needed help with her activities of daily living. She made the decision to move into an assisted living facility, toured a number of them with her family, and chose a very highly-rated local facility. She moved into a studio apartment there and began collecting LTCI benefits.

Last year, she was diagnosed with dementia. She was moved into the facility's dementia unit, where she receives round-the-clock care. She continues to receive LTCI benefits. The current cost of her care is \$6,900 per month. Her LTCI benefit pays \$150 per day, or \$4,500 per month, about 65% of her LTC costs. The remaining \$2,400 is drawn monthly from her social security benefits, savings and pension. To date, Ruth's LTCI policy has paid \$167,656.

Assuming she continues to collect benefits, she will have collected \$216,000 when she finishes her four-year benefit duration. Now on Waiver of Premium, Ruth has paid a total of \$48,900 in premiums since the policy's inception. Her LTCI policy has allowed her to pay for her care without exhausting her savings, going on Medicaid (and moving into a Medicaid-approved facility), or placing a financial burden on her family. It allowed her to make

independent decisions, choosing her own assisted living facility and the quality of care she wanted to receive.

Murray Gordon has a personal interest in the success of Ruth's financial planning: she is his mother. At MAGA, we practice what we preach. As you might expect, we've made sure that our families' financial and retirement plans includes thoughtful long term care planning, just like we recommend for every family."

To learn more about the importance of LTCI in personal financial planning, visit www.magaltc.com .

About MAGA

Now marking its 40th anniversary, MAGA Ltd. is one of the nation's original long term care planning specialists. To date, MAGA's clients have received millions of dollars in benefits. MAGA offers cutting-edge LTC planning solutions that protect retirement assets, provide quality choices of care, and ease the caregiving burden for families. They work with a number of reputable insurance companies to ensure clients have access to the best options. MAGA serves consumers, corporations, health care professionals, and financial advisors, offering asset-based and traditional LTCI products. The company is passionate about providing personalized service to clients and to educating the public regarding the pressing need for long term care planning. Licensed nationally, MAGA has won numerous achievement awards in its industry, including from the AALTCI, its professional trade association. For more information, visit www.magaltc.com.