

Sound Retirement Radio.COM
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HOSTED BY JASON PARKER



**030 Long Term Care Insurance
with Susan Sabella**

Speaker 1: Welcome back, America, to Sound Retirement Radio, where we bring you concepts, ideas, and strategies designed to help you achieve clarity, confidence, and freedom as you prepare for and transition through retirement. Now here is your host, Jason Parker.

Jason: Seattle, Tacoma, Olympia, Gig Harbor, all the good people right here in Kitsap County. For those wonderful folks tuning in from around the country, thank you so much for making Sound Retirement Radio your source for expert retirement advice.

I love doing this program. You're tuning in to Episode 030. As you know, for many of you, you've been listening to the program for well over 5 years, you know this isn't our 30th episode, but we finally got smart and decided to start numbering the programs to make it easier for people to find.

If you visit SoundRetirementRadio.com, you will also notice now that we transcribe all of these episodes, all of these radio shows for you, so that if you want to go back and read through any of the content that we're creating, it's all right there on the website. But thank you for being here today.

What an honor and pleasure it is to be talking to people that are getting ready to retire and people who are already retired. Let me tell you, many of us have similar concerns when we're making plans for retirement.

One of the things I need to address right now ... And if you're listening to this episode in the future, maybe things will change, but right now, today, we're experience a lot of volatility in the stock market. I'm reminded that when you talk to people about their risk and their comfort with risk, in an upward trending market like we've had for the past 5 years, everybody's comfortable with risk. "Oh, yeah. We're comfortable. If the market's down 20%, no big deal. I'll stick with the plan and stick right there with it."

When you actually start going through the pain of feeling the market drop 300 points in a day, like we've been seeing these swings the last couple of weeks, all of a sudden I'm reminded that people's attitude towards risk changes. All of a sudden, they're not quite as comfortable.

Part of the reason for that uncertainty, I think, for so many people is because they just don't have a good plan. They don't understand what right of return they need to work in order to make the numbers work. They haven't put together a good income plan so that they don't have to worry about the stock market providing for their future cash flow.

Just keep this in mind, but I want you to take and consider this scenario for a minute: Imagine if you are seeing these 300-point swings in the stock market, you're potentially losing money in your retirement accounts that you depend on to live on that income. Then, to make matters worse, your spouse of 30, 40, or 50 years is diagnosed and exhibiting signs of dementia or Alzheimer's. We're taking a bad situation, stock market volatility, most people don't sleep well at night, and now you've got a major health crisis ahead of you. The question is what are you going to do? What's your plan?

Today, we've got an expert guest on the program to help answer that question. My guest is Susan Sabella. Susan will be discussing long term care insurance and what it is, who should have it, who should consider purchasing it, and why it's an important piece of planning that a lot of people overlook when they're putting together a retirement plan.

Susan has a Masters Degree in Nursing. She spent the past 13 years helping people plan for long term care, educating them on how to protect their assets from the unexpected cost of long term care. She is the number one long term care agent in the State of Washington according to the Association for Long Term Care in 2013.

Folks, when I tell you we're bringing the experts, the best of the best onto this program, she probably knows more about the subject than anybody else. Susan Sabella, welcome back to Sound Retirement Radio.

Susan: Thank you for having me, Jason. I appreciate it. Thank you for that wonderful introduction.

Jason: I appreciate it. I appreciate you taking time out of your busy schedule.

This is a topic that people need to hear about. Most people don't want to think about it - it's been my experience - but, Susan, I want to try to cover as much ground in this program as we can, starting with the basics and then working into the more complex. Maybe from a high level, you can start out explaining what long term care is.

Susan: Yes, Jason. Long term care is defined when someone needs assistance with their basic activities of daily living. There are 7 of them. They are bathing, dressing, eating, continence, toileting, transferring, and cognitive ability, or otherwise known as our memory. We take these for granted every single day because we do them without thinking about them within about the first 10 minutes of waking.

Think about this, Jason. You wake up in the morning and you get out of your bed into a standing position. That's actually transferring. We go into the bathroom, we brush our teeth, we use the toilet, we hope in the shower, and then we eat breakfast. We actually use all of those activities of daily living without even thinking, without using our memory.

Think about this: what if you had an illness such a stroke or Alzheimer's or even a car accident, and that illness did not allow you to keep your independence to do these activities of daily living and you needed some assistance? This can happen at any age.

The reason I got into this business, Jason, is at 42 years old, I got toxic from a medication that I was on. I woke up one morning and I had slurred speech and no balance. My husband took care of me for over a year. I was 42 years old.

Jason: Wow!

Susan: When I got well, I looked into some options. As a nurse, I really truly believed that Medicare paid for long term care insurance. I was very, very naïve.

When I found out that it didn't, I wanted to learn what my options were. We're a couple without any children, so I couldn't think about relying on my children to take care of us.

I found out about long term care insurance and we purchased a plan. I was well enough at that point to go back to work, and I decided that I wanted to educate people about long term care insurance. That's what I've been doing for the past 13 years.

Jason: That's awesome. What a story. What a reason to be motivated to help educate people about this.

You own a policy; you own long term care insurance. Most of our listeners know, from over the years and if they've read my book, they know I'm a proponent of long term care insurance. I own a policy; my wife owns a policy. I actually own 2 policies on myself. I think part of it, Susan, as a firm that specializes in working with folks that are retired; I think I may be exposed to long term care issues more than the average population.

When you start talking about these things like, "I can't get out of bed," or "I can't feed myself," "I can't bathe myself," or "I can't go to the bathroom by myself," what most people is they say, "Jason, as soon as I get to that place, I don't want to live anymore." What do you say to somebody that says that?

Susan: Unfortunately, right now, we don't have the choice to be able to make that decision. I certainly understand where they come from, but we don't have the choice to make that decision. If we need the care, we're just putting it on our spouse or our children to have to care for us because I woke up one morning after going to bed perfectly healthy, didn't think something was going to happen to me at 42 years old, and woke up it did. Circumstances change, your health changes on a dime. None of us want to be ill.

Things change and happen. If we don't plan for these things, we're going to be relying on other people to care for us. We're going to change their life and change our relationships with them.

Jason: Because this is your area of specialty, how often would you say that people are motivated to actually look into this due to the fact that they're having to be a caregiver for someone else, or they've had to be a caregiver for someone else?

Susan: That's a very, very good question. Most people, Jason, are in denial. They don't think that looking into this, a lot of times, they haven't seen a family member need care, and they don't think about this. Most people are in denial.

The statistics show that 75% of Americans surveyed believe they will never need a nursing home or need any kind of care, so they don't believe that it's going to happen to them, or they think somebody else will cover it, and so they don't look into this kind of insurance.

Jason: I do want to get into insurance more specifically, but you mentioned a couple of the programs that are available. Once you are eligible for Medicare at 65, that's a potential option. I'll have you address each one of these.

We've got Medicare that people are eligible for at 65. If your health is gone and your money is gone, you've got Medicaid and you've got the welfare system to rely on. Then sometimes still I hear people say, "I'm a veteran. I'll have my long term care provided for me through the Veterans Administration."

Could you take a minute and help our listeners understand how long term care works in each of those different scenarios?

Susan: Okay. Medicare only covers 100 days of long term care coverage after you've had a 3-day hospitalization.

Jason: 3 days hospitalization is the first criteria.

Susan: Yeah, 3-day hospitalization and it has to be skilled care not custodial care. Let me take a moment to define both of those. Custodial care means that you need care with bathing, dressing, getting meals. That's most of the care that people need. Skilled care is nursing care, physical therapy, and occupational care.

Remember that practically all long term care administered in the US is custodial care; it's not skilled care. Even if you meet those requirements, it only covers 100 days of skilled care after a 3-day hospitalization. That's Medicare.

Jason: On that Medicare, is it 100% of the cost for the first 100 days?

Susan: The first 20 days is paid completely 100%. Your Medicare supplement or your Medigap pays the last 80 days.

Jason: If you don't have a Medigap then you're out of pocket.

Susan: You're out of pocket.

Jason: Isn't that, like, over \$300 a day now? Was that what that was?

Susan: Yes.

Jason: Yeah, okay. All right.

Susan: Yes, it's currently about \$300 a day.

Jason: That's Medicare.

Susan: That's Medicare.

Jason: What about Medicaid? You know what, Susan? Hold that thought one second. I'm realizing we're at that point where we need to go into our next break.

Listeners, if you're just joining us, I have Susan Sabella on the program. We're talking about long term care and we're going to specifically talk about long term care insurance.

There's a whole world of data and information you need to be able to understand before you can make an educated decision. We'll be back in just a minute. Susan Sabella will help educate us.

All right, folks. If you're just joining us, this is Jason Parker, host of Sound Retirement Radio. You can find us online at SoundRetirementRadio.com. Find us at SoundRetirementPlanning.com. Thank you so much.

Sound Retirement Planning, my book, has done better than I ever imagined it would. I can't tell you how happy it makes me when I see people write positive reviews about the book, if they've had a chance to read it and they have something positive and good to say about it. It really makes me feel good.

For those of you out there that are just ... You're haters. Let's just call it what it is. You probably couldn't say something positive about your own mom, if you needed to. I don't really want to hear from you.

No, I know, negative reviews. I do have one one-star review. I guess that's just the way the world works. Everybody can't love you, I guess, even though I try.

Anyhow, if you're just tuning in, I have Susan Sabella on the program with us. Susan Sabella is a long term care insurance expert. She's been recognized as probably the number one long term care insurance agent in the State of Washington.

Susan, we were just about to transition into this discussion on Medicaid. Are you there?

Susan: Yes, I'm here.

Jason: I'm sorry, Susan. We were just about to transition into this discussion on Medicaid.

Susan: Okay. Let me explain Medicaid first. Medicaid is the federal and state welfare system that finances health care for the poor. This will pay your long term care bill.

To qualify, you must exhaust virtually all of your income and assets. You must spend down most of your assets and become a ward of the state. Then and only then does Medicaid pay. In fact, in most states, you can actually qualify for food stamps before you can qualify for Medicaid.

Jason: Okay. Medicaid, bottom line there is your health has to be really bad and all of your money has to be almost completely gone. If you're single versus married, there's a little bit of wiggle room there. Is it still about \$40,000 that their wealth-

Susan: Somewhere in the \$40,000 range where they have to spend down their IRAs, 401ks, until they get down to about \$40,000. They can keep their home and the well spouse can stay in the home and live in the home until the spouse passes away.

Then what they will do is they will take the income of the person that's in the facility. With Medicaid, you can only be in a facility, cannot be at home, for the most part. They will then take their income and add it up. What other differences between the cost of what the facility is and the cost of their income, they will take that difference and they will put a lien against the home. Then when the second spouse passes away, they will take that money from the home, and then the rest will be left to their estate.

Jason: The last one, we see this a lot, especially here in Kitsap County. We have just a ton of folks who are retired military in this area. Sometimes I hear people say, "The Veterans Administration will care for me if I need long term care." How does that work?

Susan: Veterans Administration, they have to be 50% disabled in order to qualify for long term care benefits. Again, it's in a facility only. There is a spend down requirement with that as well. There is a financial requirement with that as well. There are certainly some benefits available to veterans. Again, it is in a facility. There are some spend down requirements with that as well similar to Medicaid.

Jason: Last time I looked at that, I don't know if the numbers are still right, but I think it was the spend down with Medicaid was \$40,000 and with the VA Aid and Attendance benefit was closer to \$80,000. They let you keep a little bit more.

Susan: Yeah, that is correct.

Jason: If today you have a million dollars in your retirement account and they're saying you can't get any of these assets or resources until you've spent all of that money and you only have \$80,000, what a bummer. What a crummy thing.

You worked your entire life, you sacrificed, you're not at some of the kids' baseball games and ballet performances so you can build a career, and then, at the very end of your life, you transfer any money you've saved to a nursing home or a long term care facility. I just don't think that that's what most people have in mind when they've worked hard to accumulate this money.

That brings us to long term care insurance. What does long term care insurance pay for?

Susan: It pays for care in your home, where most people want to be, instead of having to go out to a nursing home where if you are on Medicaid or Veterans Benefits, you have to be in a nursing home. It pays for care in your home, assisted living, or a nursing home. If you need to be in a nursing home then it will give you the availability to be there as well.

Jason: Who needs long term care insurance? Who should be considering it?

Susan: I actually think people that are anywhere from 40 to their mid-60s, maybe even in their early 70s can look at long term care coverage. Anybody that has somewhere between \$200,000 and 3 million should seriously look at long term care coverage to protect their assets.

Jason: Is there a cut off point in age where it just doesn't make sense anymore? Then what about health?

Susan: Cut off in age, most companies will cover until age 75. You do need to be fairly healthy. I do encourage people to call me. I can typically tell them within 2 to 3 minutes whether or not they're eligible for coverage. It's very easy for me to tell them whether or not they're eligible for coverage. That's very easy for them to find that out.

Today nobody thinks they need long term care, but the statistics are really high out there. If you get to age 65, 70% of all people will need some type of long term care.

I'm encouraging people to look at long term care as soon as they can, the younger and the healthier they are.

Jason: That's interesting that you bring that up, because I'm asked this question quite a bit as people's financial adviser, especially as a firm that specializes in working with retirement. We are often asked the question "Should I buy long term care insurance?" number one. Then, number two, "At what age should I buy it?"

There are several very well-known financial strategists out there that say you shouldn't buy a policy until you turn 60. What are your thoughts on that?

Susan: I definitely disagree with that. In my practice, I'm seeing that people in their 60s, it's really late for them because a lot of people in their 60s, their health has either already changed and they're not eligible for coverage, especially if it's a couple. Certainly, a lot of times, one of that couple, their health has already changed.

The long term care industry says that 20% to 33% of applicants between the age of 60 and 69 are turned down because of preexisting conditions.

Jason: Wow! That's a lot. I think a lot of people when they hear that, though, they think, "That doesn't apply to me because I'm really healthy. Yeah, I have a little bit of blood pressure medication, maybe a little bit of cholesterol medication, but, other than that, I'm really healthy." People, they're judging their health based on the least healthy person that they know in their circle of friends and they say, "Oh, I'm really healthy."

What does it require to maybe get turned down? What are some of the things you've heard people or seen people turned down for medically?

Susan: People are turned down for a number of different things. I have a whole book of things that people are turned down for, but a lot of the major things that people are turned down for are musculoskeletal issues, certain types of cancers - depending upon when they've had them - diabetes is another big one.

Then multiple issues, combinations of things. They may not seem like that big things to people, but the combinations of something like diabetes and maybe some musculoskeletal issues or some heart conditions or some cholesterol issues in combinations with some heart disease, some vascular diseases and things like that, and combinations of things that people necessarily think, "Oh, this is little and this is little," but in combination, they are bigger things.

Jason: There's a couple of quick examples that come to mind where I've run into some situations where people were just really taken by surprise when they were told, "Sorry, you can't get this." Either "Yet, you've got to wait a little bit longer," or "You're never going to get it."

One example was I remember there was a gentleman. He's very healthy, very active. He had torn his meniscus in his knee. He went through a period of time where, until that was repaired and he had made a full recovery, he was uninsurable for about 6 months. I remember he was so frustrated because a very healthy guy, but he couldn't believe that he wasn't able to even qualify.

Another person I remember, they had high blood pressure that was under control with medication, but they also had sleep apnea. Declined for insurance with that combination of-

Susan: Yes. Again, combination of things and musculoskeletal issues are very big in the decline area.

Jason: Yeah. When you hear somebody say, "Wait until you're 60 to buy long term care." For me, it makes me angry because my personal experience has been, a lot of times, people will have a change in health before they get to 60. My general recommendation is you should look into long term care insurance as soon as you can afford the premiums without a change in your lifestyle, while you're still healthy enough to get it.

Susan: Absolutely. Of course, your premiums are going to go up the older you are as well. The younger and the healthier you are is the best time to buy long term care insurance.

Jason: Susan, I want to ask you more about the different types of policies and how much people should expect to pay, but we need to take our next break. We'll be right back.

Susan: All right.

Speaker 1: Are you 50 years or older and have at least \$500,000 of investable assets? If so, this message may be beneficial for you.

Are you confident that you will be able to retire and not run out of money? Are you concerned about higher inflation, higher taxes, and what market volatility will do to your portfolio?

If you answered yes to any of these questions then I encourage you to take advantage of this offer. Jason Parker, the author of Sound Retirement Planning and president of Parker Financial is offering a free report titled 10 Things to Know About Planning Your Retirement Income that may provide you answers to the above questions and much more.

Call his office at 1-800-514-5046 to receive your report free of charge. Again, call now at 1-800-514-5046.

Jason: All right, folks. Jason Parker here, president of Parker Financial and the host of Sound Retirement Radio. So good to have you back on the program. We have Susan Sabella today with us talking about long term care insurance and long term care as a whole, what you need to be thinking about.

Before we get back into the program though, I want to encourage all of you. This is something we don't do often. With all of the market volatility right now, what people really want to know is if their portfolio is constructed properly. Do they have the right asset allocation, the right mix, the right diversification strategy, the right income plan?

We have the ability to stress test your portfolio. If you haven't had somebody look at this and say, "What happens to my portfolio if interest rates rise? What happens if we experience another financial crisis? What happens if there's another tech bubble that bursts?" and look at the mathematical scenarios that could play out within your portfolio, what you have right now, and you're thinking about retirement, you haven't had a stress test done, I want to encourage you to do it.

Visit us online at parker-financial.net. You can find my contact information there. Give us a call and we'll help you run that stress test and just make sure you're in good shape.

Another stress test of your portfolio is long term care. I'll tell you, when your health is being stressed, your portfolio is being stressed, that is not the good time to be developing a plan of action. Susan Sabella, we were talking about long term care insurance.

I want to talk about, because there's a lot of this different alternatives today, the insurance companies are always developing tools that are more attractive for consumers, in my opinion. Let's talk about some of the traditional long term care insurance that you can buy and then some of these hybrid and alternatives that have come about.

Susan: Yeah. I'll explain the 2 different types. Let's take a look at traditional long term care first. Basically, these 2 types of long term care are just different ways to pay for long term care in advance.

Traditional long term care plans are made up of a daily or monthly benefits. That's your benefit that you get coming in when you need care. Your elimination period, that's the time frame that the insurance company doesn't kick in. It's like a waiting period. The time that you're covered is the number of years that you're covered from the time that you start using care. Typically, people choose anywhere from 2 to 5 years of care.

Inflation protection on these products is just to keep up with inflation because most people are buying these products in their 40s or 50s and they're not going to use it until they're in their 70s or 80s, so they have to have an inflation guard in there to keep up with inflation.

You always want to go with an A-rated company and expect that if you buy traditional long term care insurance, you're going to get rate increases through the years that you have this product. You want to make sure that if you get a rate increase on your long term care policy that you can afford it in the future.

There are also is partnership in the State of Washington. Partnership is a great thing for the consumer. Partnership says that if you have \$500,000 of long term care insurance that you purchased through a [care area 29:39], and if you should use all of that long term care insurance.

Let's say, for example, in this example you have \$600,000 of assets, IRAs, 401ks, and you have \$500,000 of insurance that you used. You would only have to spend down \$100,000 of your assets and you would not have to touch that \$500,000 of your money. It would be protected from partnership. This is great for the consumer in the traditional long-

Jason: That's the State of Washington encouraging people, if you will, to buy a long term care insurance.

Susan: Yes, they're partnering with people and saying that, "If you are good enough to purchase a long term care policy for yourself we will partner with you in that if something should happen and you need more coverage than you purchased, you do not have to go through all your assets so you could protect it for your spouse."

Jason: That's traditional long term care insurance.

Susan: That's traditional long term care. Now let's take a look at hybrids. Hybrids are a combination of universal life insurance and long term care. They're setup a little bit differently. There's a long term care benefit with this and a death benefit.

With these products, you can choose to pay them all upfront or pay them, typically, over a 5 or 10-year period. There's even a product that you can pay most of it upfront and then have a smaller premium for the rest of your lifetime. These premiums are going to be much higher than your traditional long term care premiums, but you will never get a rate increase and you do have a return of premium on some products, you can get all of your money back after 3 years.

With these products, I do suggest that you compare products. Some have more value in them than others, and they work a little bit differently. Some folks like these better, if they have some cash that's sitting around and they want to put it into this type of retirement vehicle. It's great for that.

If you have a whole life policy and you have some cash value in the whole life policy and you don't want that whole life policy anymore, you can do a 1035 exchange and you can take the money from that whole life policy and put it into a universal life long term care policy and then have universal life and long term care.

Some great new products out there for people, Jason. There's all types and different types of products for folks to choose from and different ways to pay for long term care.

Jason: I like to call those new policies the have your cake and eat it, too. For those people that say, "I'm never going to need long term care, but I'll take this \$100,000 and park it in this life policy. If I need long term care, I'd leverage my money up. If I don't then my heirs get a death benefit when I go."

Susan: Exactly.

Jason: What do you say to the person that says ... Let's say it's a 50-year old couple and they're premium - I'm just pulling these numbers out of thin air. I haven't looked at premiums for a 50-year old couple recently.

Let's just say they're paying \$5,000, \$6,000 a year in premiums to have a good long term care policy. Does that seem reasonable?

Susan: Yes. It might be a little bit less than that, depending on their health, but somewhere in that range, \$4,000 to \$6,000, yeah.

Jason: Okay. Policy design and all that stuff. They're paying \$5,000 a year and then they say, "I don't know that I really want to put this money into a traditional long term care insurance policy. If I just save that \$5,000 a year, wouldn't I be better off?" What do you say to somebody that makes that argument?

Susan: They will never catch up if they just save that money and put it aside, if you do the math, and I can show them the math, the simple reason is because when they buy traditional long term care, the insurance company is giving them a large pool of money and then it is being inflated through the years.

If you do the money, if you do the math, you'll see that they'll end up with a very, very small amount of money with inflation on just putting \$4,000 or \$5,000 aside over the next 30 years of their life versus if they put that money into an insurance company, they're going to have enough to take care of the problem that they have in the future. I can show them the math on that. Go ahead.

Jason: Obviously, insurance is going to be a good solution for a lot of people, but who is long term care insurance just probably not a good solution for? Who should just say, "This probably isn't for me." Is there some criteria there?

Susan: Yeah. It's not a good solution for folks that have serious health issues because they're not going to qualify. Some people may say that if they have 5 million or 10 million dollars in assets that they don't need to buy long term care insurance.

I think that is a very personal decision because I have some very wealthy clients that still choose to have long term care insurance and would rather have that than use their own money. In fact, I just heard of a client that's not my client. It's the sister of one of my clients that has assets in the 20 million-dollar range and they still choose to have long term care insurance.

I think that financial professionals should not make the decision that if people are wealthy they should not have long term care insurance. I think everyone should at least get an education and make that decision for themselves.

Jason: I meet a lot of people, but this particular person, the wealthiest person I've ever known told me that he has long term care insurance. He has one of these asset-based long term care policies. I was actually a little bit surprised when he told me that.

Susan, I think it's really easy to get hung up on the numbers when talking about long term care insurance. We make this about how much does it cost and what does it provide. It's protecting your money.

But people, they're missing it. They don't understand the real impact that this has on people's lives who have to be a caregiver, who have to stop everything that they're doing to go help someone take a shower and to bathe people and to help them in the restroom and to cook their meals.

We need to talk about that, but it's time to take our next break. We'll be back in just a minute.

All right, folks. Welcome back. This is Jason Parker, the host of Sound Retirement Radio.

I know that you just absolutely love listening to us talk about long term care insurance first thing on a Saturday morning. I know that you just love the idea that your health could change in the future and that you could become dependent on somebody else.

It's not a very fun way to start a weekend actually. What are you listening to the show for? Turn the thing off, for crying out loud. No, stick with us, because this is important.

The reality is, in my experience, I have sat at the table with men that have been married to their wife for 40 and 50 years that are in tears as they're trying to do what's right to provide the care that their wife needs. I tell you it's heart-wrenching, it's gut-wrenching.

This is probably the reason I bought long term care insurance in my 30s because I don't want my kids, I don't want my spouse to be having to worry about things that they don't need to worry about. It's enough to have on your plate when you're going through this without having to also be the caregiver.

Susan, I'm sure, in your experience, because this is your area of expertise, you deal with this all the time, share with us some stories, some experiences, real-life experiences where you've seen people's lives impacted in a meaningful way maybe because they didn't have insurance and that's the reason they're buying a policy, or maybe it's because they did have insurance and it was there for them when they needed it. What are some examples?

Susan: A lot of it comes from seeing family members needing long term care. I remember sitting down with a family. The mom had Alzheimer's and the dad had been caring for her. These people had long term care insurance and they didn't want to use it. Actually the dad wanted to save it even though the mom had long term care insurance. The children purchased a policy from me, but they couldn't get their parents to use it. They wanted me to have a family discussion with them.

I did. I brought them all to the table. We actually had a family discussion with several of the siblings and the parents.

I got him to start using the long term care insurance that day. At the end, he just started to breakdown in tears because I think he was so relieved that he was going to be getting some help in the home. At that point, he did get some help in the home. I heard back from the family members of how well it was working and what a relieve it was for him.

Today we are seeing so many couples. I'm sure that the listeners out there can relate to this because you're seeing your parents trying to care for one another in their 70s and 80s and not doing a very good job at all.

If there's a spouse that's ill, it takes a toll on the other spouse tremendously. A lot of times, what we see is a spouse that's a well spouse will often wear down and sometimes become ill or pass away before the spouse that's ill. Long term care insurance is a tremendous help, especially when they use it.

Jason: Yeah. I think that there's something to be said there because we're all independent. We don't want to rely on other people. Whether it's insurance or paying for this out-of-pocket, at some point you'll realize, "I'm not going to be able to care for this person anymore, my life partner, my entire life. I can't do it anymore."

I think that's one reason maybe why we see people that have an insurance policy and they don't want to use it because they don't want to think that they can't do it anymore. They feel a sense of obligation towards that person.

I hear that story a lot actually. I've met and heard so many times where people have a long term care insurance policy and they're saving it for something in the future when they could be using it. How in the world do we get people over that hurdle?

Susan: It's actually talking to the person and coaching the people. I often say that my job is not only to help people with long term care insurance but to be a psychologist as well and to help people and guide people through the long term care process because it's not just the policy, but there's all kinds of thing behind the person that they need to be coached behind.

It's a whole process that the policy is going to pay for care, but the folks need to understand that they need to use their policy, because that's not the only time that I heard that. I heard from another agent, they had a client that was in their 90s, in a wheelchair, living by herself, and she had a lifetime policy, but she didn't want to use it. Obviously, someone had gotten to this client and said, "Let's make your life easier. Let's use what you have."

A lot of the older generation, too, Jason, doesn't like people in their home. Our generation, we love to-

Jason: I don't like people in my home. What are you talking about?

Susan: You're young. We like people coming into our home. We like somebody to cook for us and clean for us and do things for us. It is a different generation. People in their 80s, they don't like strangers coming in to their home.

I talked to another gentleman the other day. The parents had a policy, but all they wanted was the daughter to take care of them.

Jason: I'm curious to know, you meet with a lot of people, and I'm sure that there's a lot of people you meet with that decide, for whatever reason, they look you in the eyes and they say, "Thank you, but we're not interested in this." When they make that choice, what's the number one reason that you hear from them? Why do they say, "We've decided not to get this insurance"?

Susan: I think the number one reason is probably they are in denial, they don't really truly believe that they will ever need long term care, and so they don't feel that they want to spend the money on something that they don't truly believe that they will ever need.

Jason: They're in denial and the denial comes because they look at you and they say, "My parents never needed long term care. I eat right and I'm healthy. I exercise. This is never going to happen to me."

Susan: I ask them, "What do you think your last year's are going to be like? Do you think that you're going to need some help with your activities of daily living?" They will look me in the eye and they say, "No." I'll ask them, "Do you think you're going to look just like you do today and you're going to pass just the way you feel today with the energy and the stamina that you have?" They don't know what to say to that, but they don't think they're going to need care.

You can't seem to change their mind because they're in denial and they don't want to think about ever being in a state of their health failing or someone needing to care for them.

Jason: A good friend of mine who's in his 70s now, in fact he's approaching 80, he said, "Jason, I feel like I'm still in my 40s." He says, "In my mind, I feel like I'm in my 40s." He got cancer recently. He got sick. It wasn't until going through this bout of cancer, he said, "This is the first time in my life where I'm starting to feel old."

I think you're right. I think there's something in our minds ... Let's face it, if we all got up every morning and we had this thought going through our mind that, "One day I'm going to be in a nursing home, I'm going to be in an assisted living facility. I'm going to lose my memory, I'm not going to know who my kids are. I can't go to the bathroom on my own," if we really thought about that every morning, we wouldn't be able to get out of bed in the morning.

I'll bet you, if you go into any nursing home and you ask people that are in there and if they can respond to you, "Hey, 20 years ago, did you ever think you were going to be here?" I wonder how many of them will say, "Oh, yeah, absolutely. We knew we were coming."

Susan: Absolutely not. No, nobody thinks your health changes on a dime and nobody ever thinks they're going to need care or what's going to happen next. Let's face it, why do we have car insurance? We just don't know when we're going to have that accident. We just don't know when our health is going to change. That's what insurance is all about.

You're right. You don't want to think about it every day. You certainly don't want to do that, but I have to laugh at the people that have all these health issues and they still think they're never going to need care.

Jason: A couple of things I want to do before we run out of time here. First of all, for our listeners, if all you're looking for, you just want some price quotes, you just want to understand how much long term care insurance will cost, I've created a website. You can go to it. It's ltc-expert.com. Just plug in some information and we'll immediately e-mail over some quotes for you so you can understand the cost of long term care.

Susan, you're an expert on this. You have a ton of resources available to people. You can help them understand all of the different options and all the different plans and all of the complexity and simplified this for people. If they want more information from you, how do they get a hold of you? Where do they learn more about the work that you're doing?

Susan: They can call me at 425-643-0617, or they can e-mail me at susan@sabella.com.

Jason: How do you spell Sabella?

Susan: It's S-A-B-E-L-L-A.

Jason: Okay. Susan, we appreciate having you on as a guest. We appreciate your expertise in this area. If there was just one thing that you could leave our listeners with before the end of our program, what's the most important thing you'd like to leave our listeners with?

Susan: I strongly suggest that everyone at least get an education and make an educated decision about long term care insurance. Don't make a decision based on misconceptions and things you hear about from friends or family, etcetera. Get an education for yourself because you're educated enough to make a decision as to whether or not this is something that's important enough for your family.

Jason: Awesome. Folks, as a financial adviser that specializes in retirement, we look at this for everyone of our clients. We want to understand what does it look like as part of a financial plan. It's not just to buy insurance or not buy insurance, but we can crunch the numbers and we can say, "What happens to your financial life if this happens?"

Susan Sabella, thank you so much for being a guest on Sound Retirement Radio.

Susan: Thank you, Jason, for having me.

Jason: For our listeners, again, this program is available online at SoundRetirementRadio.com, or SoundRetirementPlanning.com. It's episode 030. The transcript will be there, as well as links to anything that we mentioned in this as well as some additional resources.

I hope you found this interesting. If so, I'd love to connect with you on Facebook and just hear your thoughts. Thanks again for listening to Sound Retirement Radio.

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