



## Cost of Long-Term Care Insurance

The rates you pay depend on a variety of things, including:

- **Your age and health**: The older you are and the more health problems you have, the more you'll pay when you buy a policy.
- **Gender**: Women generally pay more than men because they live longer and have a greater chance of making long-term care insurance claims.
- **Marital status**: Premiums are lower for married people than single people.
- **Insurance company**: Prices for the same amount of coverage will vary among insurance companies. That's why it's important to compare quotes from different carriers.
- **Amount of coverage**: You'll pay more for richer coverage, such as higher limits on the daily and lifetime benefits, cost-of-living adjustments to protect against inflation, shorter elimination periods, and fewer restrictions on the types of care covered.

A single 55-year-old man in good health buying new coverage can expect to pay an average of \$2,050 a year for a long-term care policy with an initial pool of benefits of \$164,000, according to a 2019 price index from the American Association for Long-Term Care Insurance. Those benefits compound annually at 3% to total \$386,500 at age 85. For the same policy, a single 55-year-old woman can expect to pay an average of \$2,700 a year. The average combined premiums for a 55-year-old couple, each buying that amount of coverage, are \$3,050 a year.

A caveat: The price could go up after you buy a policy depending on the kind of plan; prices are not guaranteed to stay the same for traditional policies over your lifetime. Many policyholders saw spikes in their rates in the last several years after insurance companies asked state regulators for permission to hike premiums. They were able to justify rate increases because the cost of claims overall were higher than they had projected. Regulators approved the rate increases because they wanted to make sure the insurance companies would have enough money to pay claims.