



Long-Term Care Insurance Planning: Canada

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Assuring financial security for your loved ones requires careful planning.

When a loved one experiences an extended care event and needs long-term care, it can impact the entire family. The impact can be felt financially as well as emotionally, and there can be a physical toll as well. It's important to plan ahead in order to protect your family. A solid long-term care plan will allow them to lead their lives without excess burden – to let them simply care, without having to provide for your care.

What plan have you made? Who will provide the care? Where will the financial resources come from?

As we age, we change in some predictable ways – and in some ways that are completely unexpected. Chronic illnesses or disabilities requiring extended care are never planned or anticipated. When it comes to extended-care planning, you must ask and answer some difficult questions in order to provide adequate protection for your loved ones.

You have time to prepare. You have time to protect your family.

A successful long-term care plan needs to include an evaluation of your current financial resources and a review of planning options to meet future needs. Because this depends on your personal circumstances, your long-term care plan will be unique, and you will need to determine with your loved ones how best to prepare.

Who BUYS Long-Term Care Insurance?

The premium for Long-term care coverage options will often be less expensive when you are younger. Consider the following:

- **3/4** of Canadians have made no provision for long-term care costs in their retirement planning.⁽¹⁾
- **1/3** of Canadian adults are not prepared for retirement.⁽²⁾
- **13.2%** of women in Canada can expect long-term care costs to financially wipe them out by age 85.⁽³⁾
- **2x** there are twice as many women over age 85 as men in Canada.⁽⁴⁾

(1) The Cost of Long-Term Care: Retirement Savings Blind Spot, February 2018, Healthcare of Ontario Pension Plan, 2016 Canadian life and Health Insurance Association Survey.

(2) The Cost of Long-Term Care: Retirement Savings Blind Spot, February 2018, Healthcare of Ontario Pension Plan, 2014 Financial Capability Survey

(3) The Cost of Long-Term Care: Retirement Savings Blind Spot, February 2018, Healthcare of Ontario Pension Plan

(4) The Cost of Long-Term Care: Retirement Savings Blind Spot, February 2018, Healthcare of Ontario Pension Plan, Statistics Canada

Limited Long-Term Care Payment Options

Given these risks and uncertainties, the importance of implementing a long-term care plan becomes clear. There are multiple options to consider.

Provincial health programs offer limited options. . .

If you are a Canadian citizen or permanent resident of Canada, you may apply for public health insurance. As a result, you do not have to pay for most health care services.⁽¹⁾

Since each province has their own health insurance plan, there may be differences in coverage and waiting periods.⁽¹⁾

Many Canadians mistakenly believe that full-time care in a long-term care facility will be fully paid for by government health care. However, long-term care is not covered by public health care. The truth is that government health care may only cover a small part of the costs for a nursing home or specialized residential care facility, or perhaps not at all depending on the circumstances. This means that families will have to a significant percentage of the costs of an extended care event out of their own pockets.⁽²⁾

The default option without a plan is . . .

- **Self-Funding**

Self-funding means that the income to pay for your long-term care plan must come from your savings or other assets. What was the original purpose of your savings account? What role does your current investment portfolio play in your financial future? Were either of these created in order to pay for an extended care event?

The best planning option for you and your family is . . .

- **Long-Term Care Insurance**

Long-term care insurance is expressly designed to pay for an extended-care event. It is an important element of your overall financial plan. Depending upon the type of long-term care policy that you choose for your individual plan, you may receive covered benefits whether you are being cared for in your home or in a facility. More importantly, your family will have a viable plan to help address your needs.

(1) www.canada.ca/en/health-canada-health-care-system.html

(2) <http://clhia.uberflip.com/i/405133-a-guide-to-long-term-care-insurance>



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This is a solicitation of insurance. Long-term care insurance is offered through **Knights of Columbus, One Columbus Plaza, New Haven, CT 06510 1-800-380-9995**. If you contact the company for information, an agent may contact you. Long-term care policies have exclusions and limitations. Policy issue is subject to underwriting and a medical exam may be required. Premiums vary by issue age and benefits selected and may be increased in the future. Guarantees assume all premiums are timely paid and are based on the claims-paying ability of the issuer. For costs and complete details of coverage, please contact your agent or the Knights of Columbus.

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