

## Long Term Care Insurance Industry Paid \$7.8 Billion in Claim Benefits

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Jesse Slome, long term care insurance expert  
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The nation's long term care insurance companies paid a record \$7.85 billion in claim benefits to 250,000 individuals in 2014 according to a just-released report.

"Total long term care insurance benefit payments increased by five percent from \$7.5 Billion paid the prior year," reports **Jesse Slome**, director of the **American Association for Long Term Care Insurance (AALTCI)**, the national trade group. The organization reported that insurers paid \$6.6 billion to some 264,000 policyholders in 2012.

"Americans are living longer and the consequence is more people needing long term care," Slome explains. "Contrary to what most people think, the vast majority of long term care insurance pays for care in the home or in assisted living communities, not in skilled nursing homes." According to AALTCI research, half of all newly opened long term care insurance claims paid for care in the home. "Consider long term care insurance as nursing home avoidance protection," Slome adds.

"People underestimate life expectancy," Slome shares. "Few adults in their 50s or 60s are prepared for the financial consequences of their longevity." According to the organization, roughly eight million Americans have some form of long term care insurance in the form of either a traditional insurance policy or a linked-benefit life insurance policy that can also pay a long term care benefit.

AALTCI's 2015 Price Index study released last month revealed costs for traditional long term care insurance policies rose about eight percent compared to the prior year. The research also found that costs for virtually identical policy coverage varied by as much as 119 percent. "A single female age 55 could pay as little as \$873 a year or as much as \$1,915 and once you buy coverage you really don't switch companies like you can with other types of insurance," Slome adds.