

# Long Term Care: Now There Are Options

Every day 10,000 Americans reach the age of 65. Forty percent of them will enter a nursing home at some point in their lives.



David Darwish, CFP®  
Principal, Senior Financial Advisor

David Darwish is a Principal and Senior Financial Advisor in the Naples, Florida and Fort Myers, Florida offices of HBKS® Wealth Advisors LLC. He has extensive experience in the areas of financial planning, retirement planning and asset allocation analysis. Along with having his own financial advisory client responsibilities in the Naples and Fort Myers offices, Mr. Darwish works on a team with Christopher Sorce, Jason Rundorff and Amanda Mahland in the Naples office.

Prior to joining HBKS in 2005, Mr. Darwish began his financial services career with an investment services firm in Birmingham, Alabama in the operations and discount brokerage departments. He moved to Naples, where he worked as an Investment Associate and later became a Financial Advisor with a large Wall Street firm.

Mr. Darwish earned a Bachelor of Science degree in Finance from the University of Alabama in Birmingham and is a CERTIFIED FINANCIAL PLANNER™.

One of the biggest concerns of Americans 65 and older as they enter retirement is what to do about and how to pay for long-term care. The conundrum is fueled by the fact that few retirees have long-term care insurance. The policies, in fact, are a relatively recent phenomenon, only gaining broad awareness around the turn of the century. Retirees might now know that it is critical to plan well before the age of 65 to have long-term care protection, but like so many other things in life, knowledge often arrives too late. For people over 65 without a long-term care policy, the options have been few.

The “traditional” long-term care policy requires the insured to pay an annual premium every year until either they need the coverage or die without using the benefits. Those annual premiums are based on several factors, such as how many days after filing a claim you have to wait to receive benefits, the duration of benefits, the daily or monthly benefit amount, whether you remain at home or enter a long-term care facility, and increases in cost-of-living indexes.

This type of long-term care coverage allowed financial planners to budget for their client’s annual premium payments. However, insurers set initial premiums based on assumptions that turned out to be incorrect, and higher than anticipated care costs now have insurers increasing premiums substantially. That has led the insurance industry to consider new long-term care protection options.

One option from the industry, which is winning approval by an increasing number of state insurance commissions, is a long-term care hybrid coverage designed as a rider to a life insurance policy. These types of policies may not offer substantial cost savings versus a traditional policy, but could be a better fit because the premium is being used to fund a life insurance death benefit or LTC benefit. The annual premium required by a traditional long-term care policy can often be a sticking point for those looking for coverage. Should one never qualify for care, the premiums paid over time are not recovered and no benefit is received. With a hybrid policy, the premium cost would be recovered via the death benefit paid to either the surviving spouse or one’s heirs.

What's best for you? A long-term care rider or a separate long-term care insurance policy? Before you buy, you need to understand how costs will be covered – and because there are so many types of policies and policy terms in today's long-term care marketplace, it is best to engage a competent insurance professional to help you navigate your options. □

Investment advisory services are offered through HBK Sorce Advisory LLC, doing business as HBKS® Wealth Advisors. Insurance products are offered through HBK Sorce Insurance LLC. NOT FDIC INSURED - NOT BANK GUARANTEED - MAY LOSE VALUE, INCLUDING LOSS OF PRINCIPAL - NOT INSURED BY ANY STATE OR FEDERAL AGENCY

---

HBKS® Wealth Advisors | 3838 Tamiami Trail North, Suite 201 | Naples, FL 34103 | Phone: (239) 263-1960 | [ddarwish@hbkswealth.com](mailto:ddarwish@hbkswealth.com)

[hbkswealth.com](https://hbkswealth.com)