[Long-Term Care Insurance: Costs Are Up but Vary Widely](https://uphelp.org/long-term-care-insurance-costs-are-up-but-vary-widely/)

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By ANN CARRNSRates for long-term care insurance, which can help pay for care in your own house or in a nursing home, rose this year an average of nearly 9 percent, a new industry report finds.Still, rates vary greatly depending on the insurer and the specifics; increases for some policies were much larger, and in some cases — like certain policies covering couples — quite modest, according to Jesse Slome, executive director of the American Association for Long-Term Care Insurance, a trade group.Each January, the association compares top-selling policies offered by major insurers to determine average rates. This year's analysis includes rates from 10 insurers, using policies sold in Tennessee, a "representative" state, Mr. Slome said. Factors behind the rates include higher claims costs, he said; in 2014, insurers paid out $7.8 billion in claims, an increase of nearly 5 percent.A healthy 55-year-old man can now expect to pay, on average, $2,075 per year for $164,000 in initial benefits, up from $1,765 last year, the report found.The cost for a healthy, single woman of the same age is higher: Her average premium is $2,411, up from $2,307. Insurers take gender into account when pricing long-term care policies, since, statistically, women live longer and are more likely to need long-term care.Last year, the National Women's Law Center filed federal sex-discrimination complaints against four insurers, challenging such gender-based pricing on the grounds that the practice violates a provision of the Affordable Care Act barring sex discrimination in health care. The action is pending with the Department of Health and Human Services's Office for Civil Rights.Couples generally get a discount if they buy a joint policy; the rationale is that one or the other is likely to provide some care for a spouse initially, Mr. Slome said. A married couple, both age 60, would now pay $3,930 combined, up from $3,840, for $328,000 of initial coverage.The numbers assume a "three-year" policy that uses a daily benefit of $150 to compute a maximum payout, and includes inflation protection — a 3 percent compounded annual increase in benefits. Eliminating inflation protection greatly reduces the cost — the average premium for a single man would be cut roughly in half — but that means you will probably have to pay more out of pocket if you eventually need care. A middle option, which costs more than the base premium, allows the choice of adding inflation protection later.The rates cited in the report are for new policies. Premiums for outstanding policies, particularly older ones, have been increasing as well, in part because people are living longer and insurers had underestimated the level of claims.Insurers generally must get state approval before increasing rates on existing policies. In many cases, however, even with large increases, premiums on older policies are still lower than they would be if the policyholder had waited until now to buy a new policy, said Michael Kitces, director of research at Pinnacle Advisory Group in Columbia, Md.Mr. Kitces said consumers can try to hold down premiums on new policies by making sure that their coverage is tailored as much as possible to their situation. For instance, he advises checking rates for care facilities near your home — or near a family member's home, if that's where you would likely receive it — to make sure you're not overpaying for a high daily benefit rate if rates in your area are lower than national averages.One way to make premiums more affordable generally, Mr. Kitces said, might be to lengthen plan deductibles, known in industry lingo as the "elimination period." That's the length of time during which you pay for care out of pocket, before the policy begins paying.Most plans sold today have a 90-day elimination period. But if the window were significantly lengthened — say, to two or even three years — in exchange for expanded benefits afterward to cover events like very long, financially catastrophic nursing home stays — premiums could be much lower. Policyholders could then use the savings to help fund a deductible.One barrier, however, is that most states prohibit elimination periods of longer than one year, Mr. Kitces said — a consumer protection holdover from a time when people didn't live as long and plans were less costly.Here are some questions and answers about long-term care insurance:■ When is the best time to buy such insurance?Premiums typically will be lower if you buy when you are younger — say, in your 50s — rather than waiting until your 60s or 70s. Coverage not only becomes more expensive as you age but also becomes more difficult to qualify for at all, since health problems are more likely as you age.■ Can I find policies now that offer longer elimination periods?You may be able to find a policy with an elimination period of up to a year, but the amount saved with a 12-month deductible, compared with a three-month deductible, may not be significant, Mr. Kitces said.■ How can I find the best rate?Mr. Slome advises comparing rates from several insurers, as premiums vary widely. The latest analysis found the difference between the lowest- and highest-cost policies for the same coverage ranged from 34 percent to as much as 119 percent. A 55-year-old woman, for instance, might pay as little as $890 a year or as much as $1,829 for a similar policy without inflation protection, depending on the insurer. An insurance broker can help sort things out, but since some work exclusively with one insurer, you may need to talk to more than one.Correction: February 22, 2015 An earlier version of this article misstated the maximum elimination period allowed by most states. It is one year, not three months.