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# Kiplinger's RETIREMENT REPORT

Your Guide to a Richer Retirement

VOLUME 29 | NUMBER 6 | JUNE 2022 | \$5.00



## Higher Premiums for Shrinking Benefits

**> AMERICANS HAVE PLENTY OF REASONS TO DREAD BUYING** traditional long-term care insurance. The policies are expensive, with rising annual premiums and so many different elements that shopping for one is overwhelming. "It can be a complex and oftentimes frustrating experience," says Tom Beauregard, founder of HCG Secure in Goshen, Conn., which sells long-term care insurance with a focus on aging at home.

The market and the policies have also evolved over the years. In fact, anyone whose idea of long-term care insurance was shaped by the policies their parents or grandparents had may be in for a rude awakening. "They're like Rolls Royce policies compared with what we have today," says Brian Gordon, president of Murray A. Gordon and Associates, a long-term care insurance broker in Bannockburn, Ill. "But they didn't cover home health care, so that's the give and take."

When the insurance first became widely available in the late 1970s, it was used mainly to pay for care in nursing homes, but the industry overestimated the number of lapsed policies and underestimated costs and customer life expectancies. Many insurers stopped selling the coverage, and now only about a dozen companies offer it, down from approximately 100 at one time. To keep the cost affordable, you may have to skimp on some policy features, or as the American Association for Long-Term Care Insurance says on its website: "It's very likely you'll pay more today for less plan coverage."

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