

# Live long. Live strong.

Preserve your retirement savings with Long Term Care Insurance

Retirement is the perfect time to reap the benefits of years of saving and hard work. It arrives with the promise of freedom and independence. Yet fulfilling that promise requires some careful planning.



Contributing the maximum towards your registered retirement savings plan (RRSP) is an important step you can take to ensure your future financial stability. RRSPs offer a tax advantage and can provide a valuable source of income in your retirement years. These funds are available to help maintain or enhance your lifestyle. But what if you experience a serious health setback?

The fact is that Canadians are now living longer than ever before. So there's a good chance you'll need to stretch your retirement savings out over a longer period of time. Plus, the older we get, the more likely we are to require some form of extended health care. Over a period of time, these expenses could add up to thousands of dollars.

## What is long-term care?

Long-term care includes ongoing support from medical professionals, including nurses and aids for household services. It can be provided in a long-term care facility or in your home. Either way, long-term care can be expensive.

## Where will the money come from?

Should you require long-term care, you may have no choice but to relinquish the financial freedom you worked so hard to achieve. You could be forced to deplete your hard-earned retirement savings or liquidate your family's most prized assets in order to help pay for what could be years of professional care.

## Options to fund the costs of long-term care

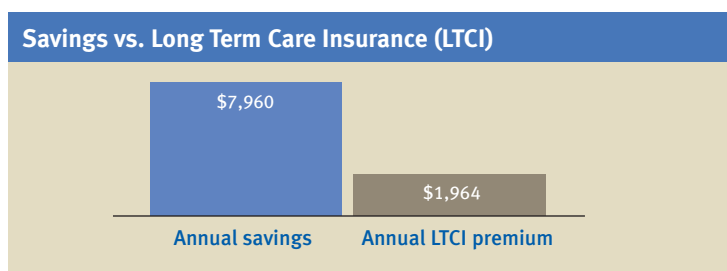
- › **RRSP savings.** You may think that your RRSP savings will be enough to cover the cost of long-term care. Think again. Based on the example below, a \$340,000 RRSP balance would be completely depleted in only eight years\*.



\* Based on \$30 a day for home care for two years and \$90 a day for facility care for six years after home care

› **Saving on your own.** What if you decided to save the funds required for long-term care? This option requires setting aside a significant amount of money on an ongoing basis. Based on the following example, you would need to save \$7,960 per year for 20 years\*\* to accumulate enough money to fund the costs of long-term care.

› **Long-term care insurance.** You can plan for the future now by purchasing Long Term Care Insurance from RBC Insurance®. This cost-effective option helps you maintain your lifestyle and financial security by giving you the resources you need to remain independent, even in the face of a serious health setback. An annual premium of \$1,964 would provide the same level of coverage as saving \$7,960 annually.



\* Based on \$30 a day for home care for two years and \$90 a day for facility care for six years after home care.

\*\* This amount was derived assuming an annual rate of return of 4% and an average tax rate over the 20-year span of 45%.

### What about the government health-care plan?

While government health-care plans are fairly comprehensive, they're simply not meant to offer you all the options you may need to get the care best suited to your particular circumstances. There are often limits on the amount the government will pay for home care. And of course, if you're covered by government health plans only, then you will have to pay for any private facilities out of your own pocket.

### Consider these important points

- › People aged 65 and over face a 43% risk of entering a nursing home — 21% will stay five years or more.
- › Within 20 years, the seniors' population is estimated to be eight million. That's 20% of the Canadian population — a statistic that will have an enormous impact on our government health-care programs.
- › Already some Canadians, depending on their province, are spending up to \$4,770 a month out of their own pocket for facility care that's subsidized by government programs.

### Protect your assets and your independence

Long Term Care Insurance from RBC Insurance can be a valuable component of your retirement strategy:

- › It provides a daily benefit that can be used to pay for care you choose, whether it's in a private or government facility, or even at home.
- › It provides funds to pay for additional expenses, such as specialized therapists (speech, occupational and physical), which you would normally have to pay for out of your own pocket.
- › It can even be used to pay for assistance with housekeeping, cooking or shopping.
- › It can help relieve your loved ones of financial obligations related to your care.
- › It can help protect the family assets and savings you have worked so hard to build.

Long Term Care Insurance gives you the financial security to live life on your own terms.

**To find out more about Long Term Care Insurance from RBC Insurance, and how it can help safeguard your retirement plans speak with your insurance advisor.**



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