DON'T OVERLOOK THESE LESSER-KNOWN FEATURES FOR LONG-TERM CARE INSURANCE POLICIES

When buying a long-term care insurance policy, most consumers concentrate on the basic features of the policy such as the dollar amount of the daily benefits, the length of coverage and what circumstances trigger the policy's benefits. But newer LTC policies offer features and options consumers frequently overlook, yet can be very beneficial to the insured.

Survivorship benefits. This is an attractive feature for couples who buy individual policies from the same insurer. When one spouse dies, the company waives the remaining premiums on the surviving spouse's policy. For this to go into effect, the insurer generally requires that both policies have been in force for several years (typically seven to ten years), and some policies require that no benefits have been paid to either spouse during that period.

Shared benefits. Couples who buy policies with benefits for a limited number of years, such as two or five, versus lifetime benefits, might find this feature attractive. This comes in three forms. One type allows people who exhaust their benefits to dip into their partner's policy benefits. Another version creates a third pool of benefits that either partner can dip into. A third form is to have a single pool of benefits that both partners draw on.

The obvious risk here is that with two of the types, you could drain the other partner's benefits. Financial planners commonly recommend that consumers buy lifetime benefits if they can afford it.

Alternate plan of care. One reason consumers are reluctant to buy an LTC policy when they are younger (say in their 50s) is the concern that the policy will become obsolete and not cover newer forms of care. For example, adult day care centers and assisted living facilities weren't around years ago, and older policies still in force won't cover them. With the alternate plan-of-care feature, the insured, his or her doctor, and the insurance company will ideally agree on a plan of care not currently specified under the policy but which the company will pay for.

Accelerated payments. This allows you to pay up the policy within a certain period instead of over the rest of your life by making accelerated premium payments. Examples include ten-year pay or payments made until you turn 65. Accelerated premiums, which are not allowed in some states, might run two to three times more than lifetime premiums.

This feature eliminates the challenge of making payments when you're living on limited retirement income, and it can provide a tax advantage for some business owners (especially C corporation owners). On the other hand, should you need the policy earlier in your lifetime than is normal, you've "overpaid" your premiums. Disciplined savers also could bank the extra premium money they otherwise would have made, letting it earn interest and drawing on it for premiums once you're retired.

Enhanced elimination period. LTC policies offer a choice of elimination periods, which is the number of days you must pay for long-term care out of your pocket before the policy starts paying. The elimination period may range from zero days up to 180 days or even a year. The longer the elimination period, the smaller the premium.

With an enhanced elimination period, you can start or accelerate the elimination period "clock" with just a few home health care visits. This can save you out-of-pocket expenses during the elimination period.

Respite care. It's common for family members or friends to provide informal care at home to someone who otherwise would have qualified for their policy benefits. When this occurs, some policies will pay for temporary care while the family caregiver takes a "break," even though the insured has not met the elimination period. Policies typically limit the number of respite days you can take.

These are just of a few of the lesser-known long term care features. Others include bed reservation benefits, non-forfeiture benefits, geriatric care management coverage, international care, return of premium upon death, restoration of benefits and caregiver training. Some are standard in most policies, others are offered as options at additional cost. Review these and similar features with your financial planner and long-term care insurance agent to see if they're available and if they make sense for you.

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