



**Vivian P. Gallo, CLU, CSA, AEP, CLTC**  
*Long Term Care Planning Specialist*  
Hartsdale, NY 10530  
**Tel: 914- 472-2223**

[www.ChoicesForLongTermCare.com](http://www.ChoicesForLongTermCare.com)  
email:Insurance@ChoicesForLongTermCare.com

## LTC Update

### PLANNING IS IMPERATIVE FOR COUPLES IN SECOND MARRIAGES

*By Vivian P. Gallo, CLU, CSA, AEP, CLTC\**

According to U. S. Census Bureau statistics, an increasing number of Americans are divorced, remarried or living as domestic partners (referred to as "cohabitation" by the U.S. Census Bureau).

A 2007 report from the U.S. Census Bureau shows that in 2004:

- 12 percent of men and 13 percent of women had married twice
- 3 percent of each had married three or more times
- 58 percent of women and 54 percent of men 15 and older had married only once.

What statistical studies do not show, however, is the extent to which financial, estate and long-term care planning play an even more vital role in protecting and sustaining the fundamental needs of individuals once they depart their original marriage. The trauma of going through a divorce, particularly if there are children involved, frequently causes both parties to lose sight of some of the long-term financial safeguards they originally put in place when they married and began their family. In addition, the financial stress that accompanies divorce often leads to significant cost cutting, and insurance plans that once seemed essential to protect the couple in their "golden years" are often the first to go.

Couples choosing second marriages today face a whole host of complex issues that require them to rethink financial plans that were thoughtfully and carefully put in place when they entered their first marriage many years earlier. It is not uncommon, for example, for one or both parties to have offspring from their first marriage. When they consider remarrying, these couples frequently agree upon the need for a prenuptial agreement that will protect them against some of the legal and financial hurdles they faced when dissolving their first marriage.

Although their financial and emotional ties to their previous spouses have generally been severed, frequently both parties want the assets they are bringing into the second marriage to provide a legacy for offspring of the first. Newly aware of the burgeoning divorce rates (and their own contribution to those statistics), many of these couples choose to keep totally separate bank

**Experience you can trust**

accounts and harbor the illusion that by so doing they are limiting their financial responsibility for their second spouse. But what these couples frequently do not realize is that the arrangements set forth in the prenuptial agreement only serve their stipulated purpose if either spouse requires little or no short term medical care prior to his or her demise, thereby resulting in minimal and manageable medical expenses.

Under a different -- and bleaker -- set of circumstances, however, much bigger problems can arise. Under current law, couples entering second marriages need to understand that their assets are no longer separately categorized and protected as originally intended and set forth in the prenuptial agreement. As in any marriage, all assets regardless of who brought them into the marriage are considered as belonging to the couple *as one entity*, to be used by either or both persons to cover the costs of long-term care.

For this reason, it is imperative that couples entering second marriages carefully redefine their respective goals and immediately put in place a new well-designed long-term care plan to effectively diminish or eliminate this risk. By carefully selecting and using suitable insurance benefits to offset some or all of potential long-term care costs, couples entering second marriages can preserve and protect their individual assets -- and those set aside for children of their previous marriage -- as they originally intended when drafting their prenuptial agreements.

Most importantly, taking the time to address such possibilities, however remote they may seem at the start of a second marriage, helps avoid the intra- and inter- family battles that arise between children, siblings and previous spouses as well under such trying circumstances. Instead of families banding together when facing the enormous physical, emotional and financial stress that results when diagnoses are first made and the need for long-term care becomes a reality, a breach occurs, and the lack of coordination between the patient's first and second "families" frequently serves to destroy rather than preserve the often tenuous bonds that have been established between them.

In the absence of proper planning, then, *it is easy to see how the prospect of long-term care for a loved one not only fails to bring families together, it often serves to tear "old" and "new" families apart!*

\* Vivian P. Gallo is a CLU (Chartered Life Underwriter), Certified Senior Advisor (CSA), and Accredited Estate Planner, (AEP) and has Certification in Long-Term Care (CLTC). She is a long term care planner specializing in long term care insurance. She is not a tax consultant or attorney, however, and cannot provide tax or legal advice. Please consult your accountant, tax preparer or attorney on all tax planning and legal matters.

**Note:** If you have put financial, estate and tax plans in place, **NOW** is a good time for an independent review to see if your plans are still suitable for your goals. New legislation that we are unaware of, can often impact our objectives. Without periodic reviews you could miss the opportunity to consider and make any necessary adjustments. **Call today and let CHOICES along my new associates at Sagemark Consulting, a division of Lincoln Financial Advisors Corp., provide you with a FREE comprehensive planning review.**

**Experience you can trust**