

Long-Term Care Insurance Decision Should Be Made After Careful Study **Attorney explains what you should look for in company, policy**

When the first Long-Term Care policies were offered thirty years ago, they were primarily for nursing home use and designed to kick in when Medicare ran out. These were not the feature rich, comprehensive benefit policies we see today, aimed at aging baby boomers, says Frank N. Darras, who claims to be the nation's leading disability and long-term care insurance lawyer.

According to Darras, the number of LTC policyholders has increased 21% annually and now there are approximately six million LTC policies in the United States. Unfortunately, in the same period of time, the number of insurance companies selling LTC has been declining.

"The biggest concern of all is the possibility a claimant could be wrongfully denied coverage when they need it most," says Darras. "So, it is vital that every consumer carefully research their choices and get reliable advice and a sound second opinion so that they and their families are richly protected."

Basic Benefits

"Understanding this relatively new product includes learning its benefits for skilled, intermediate and custodial care," Darras says.

Darras describes three benefit categories as:

- Skilled care must be prescribed by a doctor, delivered by a registered nurse and available 24 hours a day.
- Intermediate care refers to occasional nursing and rehabilitative care under the supervision of skilled medical personnel.
- Custodial care involves assistance with the activities of daily living (ADLs), such as bathing or eating that can be provided by someone without medical skills and is usually provided in residential care homes or to individuals in their own homes.

"Look for policies that pay for all three categories including care by non-professionals, such as family members or friends," Darras says. "These are the policies that get the most use."

Understand that there are two ways benefits are paid, either on an "indemnity" or "reimbursement" basis.

With an indemnity policy, the insured is paid the daily or monthly benefit regardless of the actual charges, Darras says.

A reimbursement policy will not pay more than the actual charge, regardless of the maximum daily benefit amount. Any unused portion may be carried over from one period to the next.

Choosing a Carrier

You may find that the most important decision you make may very well be the carrier you select.

“Choose your LTC insurance carrier wisely and do plenty of research. If your insurance carrier goes out of business, when you need the coverage most, those around you suffer and must go without,” says Darras.

Here is Darras’ checklist to help select a good carrier:

- Research the Company’s commitment to Long Term Care, how long have they been selling their policies? How many new policies do they bring to the market in your state every year? How often have they requested premium increases and at what per cent?

- Check with Departments of Insurance in your state and others

- Check the overall financial strength and size of the Company

- Review their annual reports

- What kind of media coverage are they receiving and for what?

- Current legal actions against the Company or punitive damage verdicts in the past five years

- Does the Company promote rate stability or do their rates ‘creep’?

- Check their claims payment record

- Any market-conduct investigations or class actions making news?

- What would happen to your coverage if the Company is sold or goes out of business?

- Do they offer indemnity or cash benefits?

- How is Long Term Care defined?

- Is there a provision for temporary Long Term Care?

- If you need Long Term Care can you have it provided

- In your home?

- In the home of a family member?

- In an adult care service facility?

- In an assisted living facility?

- In a hospice facility?

- In a nursing home?

- See what type of care the policy covers

- > Custodial care is provided by someone who is not required to be licensed or skilled medical personnel

- > Intermediate care refers to occasional nursing and rehabilitative care under the supervision of skilled medical personnel

- > Skilled care is the provision of services and supplies that can only be given under supervision of licensed or skilled medical personnel.

“It is vital to get competent, reliable advice and a sound second opinion so that you and your family are protected. Your family’s financial future should rest easy with the security of your well-researched decisions.”

Your family’s financial future and your independent living will depend on how carefully you shop. Be smart, understand the fine print and have any legalese translated so you are sure you get what you are paying for. For more information see www.sbd-law.com.