



Are All LTC Insurance Policies the Same?

If you've done any research in the LTC insurance market, you already know there are hundreds of LTC insurance policies available today. It can be overwhelming since there are also a multitude of insurance carriers – each with different products making it difficult to compare apples to apples...it's more like apples to pineapples!

Before you compare the policy itself, it's important to review the carrier's history. Some carriers, like Genworth (formerly GE Financial) and John Hancock were in business long before Long Term Care insurance was even available. Other carriers like Prudential and Met Life are somewhat newer, but over the years have proven their stability. Then there are carriers that are very new to the market and they have yet to prove they will be here for the long haul. That is not to say they will not be around in 20 years – every carrier was new to the market at some point – but they do carry more risk than carriers who have been around for decades.

It is also worth noting a carrier's history regarding premium increases. No company guarantees that its rates will remain the same forever, but a few big companies - such as John Hancock, MetLife and Genworth - have been in the business for years and haven't increased premiums for their current customers so far. While other companies offer low premiums to stimulate sales, then increasing premiums shortly after the policy begins.

Below are some key LTCi policy features and benefits to look for in a good policy:

Benefit Triggers

- q Hands-on vs. Stand by or Supervision

The Claims Process

- q Zero Day Elimination
- q Indemnity vs. Reimbursement
- q HC Weekly vs. Monthly
- q 1 day HC = 7 days for elimination period
- q Service Day vs. Calendar
- q Claims offset

Providing Care

- q Care management/coordination
- q Formal vs. Informal caregiving
- q Licensed HH Agency vs. Friends/Family

Other Benefits

- q International Coverage