

The LTCI Claims Experience





Understanding the Differences

What is the difference between a long term care insurance claim and other types of insurance claims?

The answer lies in the purpose of the insurance. All insurance is based on protection against a calculated risk of loss. Auto insurance, homeowner's insurance, health insurance, etc., are examples of insurance protection that most people have and can relate to in terms of loss and compensation.

Auto insurance can be shopped every year to seek coverage for the best price. The same applies to homeowner's or health insurance. Any claims submitted tend to be purely transactional. You have a loss; you submit a claim; you get reimbursed; you move on. These are mostly short, single occurrence events. Later, you might decide to shop for new coverage with another carrier to find the best price again. A lifetime can be spent buying insurance and switching carriers to best suit your needs and budget.

Long term care insurance is different. It's a long term relationship. Long term care insurance is aptly named because it is something you commit to for the long term. When you use the policy, you're generally accessing benefits on an ongoing basis, for a long time



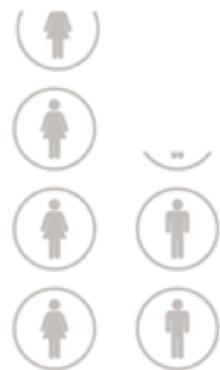
period. The interactions you have with your long term care insurance carrier are long term, not short, one-time transactions. So, with that in mind, you can see why purchasing a long term care insurance policy is a big deal. Because long term care insurance premiums are based on age and health, you can't shop around every year to see who's offering the best price and decide to switch to a new carrier to get the best deal like you can with an auto insurance policy. Once you commit to a carrier, changing to a new one will generally cost you more money, not less.

Before you buy long term care insurance, it's important to understand that once you choose a carrier, apply, and are issued a policy, you're going to have a long term relationship with that company. And because of that, it's important to make sure you're considering the most important points when selecting the carrier you're going to work with for many years to come. It's not just about who has the lowest premiums or the dollar value of your policy. It's about so much more. It's about the experience you and your family will have with that carrier at time of claim and afterwards.

The very nature of long term care insurance claims is substantially different from any other type of insurance policy you might have. Consider that, on average, women need long term care for 3.7 years and men need long term care for 2.2 years. If you end up falling in line with that average, that means you and your family will be working with your long term care insurance carrier for 2 to 4 years.

How long do people need long term care?

On average, women need care (3.7 years) longer than men (2.2 years).



Source: www.longtermcare.gov (2014)



The Claims Experience

What can or should you expect from a long term care insurance claims process and the carrier? Here is a general overview of what should take place to help you along. Keep in mind this may vary between insurance companies.

First, you can contact the insurance carrier at any time with questions you may have regarding your policy and benefits. You don't need a chronic health care event to occur to ask questions and clarify some things for yourself to put your mind at ease.

When you believe you are eligible to access policy benefits, you or a member of your family should reach out to your insurance carrier to start the claims process. Their phone number should be on your policy or you should be able to find it online.

In most cases, the customer service representatives will connect you with someone in the claims department. The claims staff generally focus exclusively on administering policies for folks on claim and are experts in helping you understand your policy. They are a great resource for answering questions you may have regarding long term care. The claims representative, sometimes called a Personal Care Advisor, will ask you about why you are calling. Discuss with the representative the reason for your call and that you believe you are ready to access policy benefits. This is an opportune time to ask any questions about your policy as well as long term care services or recommendations for care in your community. They'll be able to assist you with this.

If the claims representative determines by the phone conversation that you may qualify for benefits, they will request an assessment to determine whether or not you are, in fact, benefit eligible. This could be a visit from a registered nurse or qualified medical



professional to collect more detailed information. When you have an in-home visit, it is quite common and helpful to have a family member present to help answer questions.

Depending on the results of the assessment, the insurance company may request additional information from your current care providers on your behalf. During this time, the claims staff will work with you, your family and your licensed health care practitioner to develop a Plan of Care that addresses your long term care support services and needs. This is all in order to determine what care you are eligible for so that you can access the benefits you need from your policy.

Once the carrier has all the documentation, a claims specialist will review your case and determine whether or not you are eligible for benefits per the terms of your policy.

If you are deemed eligible for benefits, your case is turned over to a personal advisor. Some advisors stay with you for the duration of the claim. This is the best scenario as it allows you to develop a strong relationship with one person who knows your circumstances, helps guide you through the care and claims process, and answers all of your questions. Often times families develop strong ties with their Personal Care Advisor as they serve as a guide throughout the long term care experience. Make sure the carrier you choose will have a dedicated, qualified, professional advisor for you to work with as this is the time that will require personal interaction for the long term.

You can now take advantage of your advisor's knowledge of available care options that you feel you would like to explore and understand. Whether it is home care, assisted living facilities, or other options, they can answer those questions for you and help guide you to receiving the care that you need.



Paying Claims

Once your plan of care has been established, it is then necessary to sort out the documentation required to receive benefit payments.

An eligible in-home caretaker, for example, may just need to provide monthly invoices. A qualified nursing home or assisted living facility may be able to submit invoices a month in advance to minimize the impact on your family cash flow. Once a routine is established for payments, little additional action is required from you.

Your advisor should remain in contact with you on a regular basis to help you and make sure you are receiving adequate care. You can also contact your advisor at any time to ask questions or for any assistance you may need.

In Summary

Long term care is an event unlike most others. It has an unpredictable duration. Even a few months of care can be financially and emotionally taxing on you and your family.

Select an insurance carrier that cares and will be there for you in the long term.

Things to Look for When Selecting a Long Term Care Insurance Company.

- » Claims staff of qualified professionals with experience in chronic care
- » History of paying claims promptly
- » Single advisor contact to manage your case throughout your claim period
- » 90% or greater claims satisfaction results
- » LTCI is their specialty focus
- » Long history of paying claims
- » Entrusted to serve claims of other insurance carriers