



Long Term Care Insurance Policies – Understanding the Issues And The Contracts

LTC insurance is the most complex insurance offered in the marketplace today. As one reaches the senior years LTC insurance can be the most important insurance owned.

In my last Oak Tree Newsletter, I commented that many people ask me to review their LTC policies. I am asked to provide an audit review because the policyholder is not sure if the contract has been structured properly.

People who attempt to compare one policy contract with another are always frustrated; they don't feel comfortable comparing contract language. Almost always, the individual lacks basic, key understanding of the types of potential care, the government programs, local care models, reimbursement procedures, etc. Without this critical background information, the exercise is almost impossible.

My LTC Planning Process takes my clients through a learning experience that assures that one obtains a clear grasp of the key, important aspects of this complex subject. I find more often than not that prior to beginning the process, the client has already developed certain preconceived notions and misunderstandings. Often times what appears to be logical is not accurate. My unique financial model helps the client sort out the issues and important variables, thus gaining an accurate understanding of the "moving parts."

The greatest challenge facing the LTC industry and the public is a adequate training of the agents. As one person told me some time ago, "if you need brain surgery you find a brain surgeon - if you are looking into LTC insurance you need to find a LTC Specialist."

As a LTC Specialist, I read and reread the insurance contracts and call the claims departments of insurance companies to ask clarifying questions. This is a continuing requirement because the insurance companies are introducing new contracts more frequently in an effort to gain increased premium to offset future claims. Also, it is mandatory that I spend time each month visiting with leaders in the care provider community. This special knowledge provides a strong foundation so that I can provide quality, updated information and perspective for my clients.

In summary, we must walk before we run. There is much to learn before one can dive into a LTC policy. Everything in the policy relates back to care and resulting financial issues. From there we have the specific contract language that must be read carefully. Also, we must become clear on how the insurance company interprets or handles various specific claim situations.

If you have any questions on LTC subjects, please email me and I will do my best to quickly respond. Also, I will do my best to provide the questions and answers in future Oak Tree Newsletters.

- John B. Linvill Jr., CSA

*"A good plan today is better than a
great plan tomorrow."
- George S. Patton*

Mission Statement:

To assist people in making sound, appropriate decisions about their Independence, Security and Dignity.

Health Corner – Relating Strokes to Dementia

A recent Boston University study showed that the risk factors that apply to strokes also apply to Alzheimer's disease and other dementia. We need to control our blood pressure and weight, not smoke and get some exercise. There appears to be a link between poor ability to think and a higher risk of a stroke.

Planning Tools:

Visit www.jlinvill.com for a complete tool kit for LTC planning: Articles, Style Quiz, The Process "Let's Walk Before We Run", key links and my companion site: www.jlinvillLTC.com.

Next Issue:

Update on important demographics that will have a profound impact on all Boomers.



Happy Spring!



John B. Linvill

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For specific information about Long Term Care insurance, related terms, taxation and consumer information, please visit www.jlinvillLTC.com.