

With help, seniors can keep some of their assets in the family rather than lose their entire life savings to the costs of long term care.



**The Koewler Law Firm**  
JAMES L. KOEWLER, JR.  
Protecting a senior's life savings.™



## Seniors and Special Needs News

Identifying a proven, stable Long Term Care insurance company

Today's newsletter continues the series about buying long term care insurance as a strategy for planning ahead for long term care. My May 23, 2014

newsletter discussed whether to buy long term care insurance at all; and my May 30, 2014 newsletter discussed looking for a stable, proven insurer. Today's post will describe how to identify a proven, stable Long Term Care insurance company.

The introductory newsletter in the series on planning ahead for long term care costs appeared on May 16, 2014. (Thanks to [Toby Kemsuzian](#) of Skylight Financial for his input on today's topic.)

Today, I add some criteria to help identify the proven, stable Long Term Care insurance company:

- A "superior" rating from A.M. Best (the independent rating agency for insurance companies;)
- A history of participation in the Long Term Care insurance market; and
- A history of NOT raising rates on existing policy holders.

The first criterion, the A.M. Best "superior" rating is self-explanatory. The information is readily available on the internet, and companies rated "superior" will usually make it obvious on their own websites.

The second criterion, a history of offering Long Term Care insurance, recognizes that some companies have entered the long term care market and then quickly left the market. In fact, some insurers that had offered long term care insurance over many years have withdrawn from the market. So, unfortunately, following this criterion cannot guarantee that your insurer of choice won't pull out of the market in a few years. Nonetheless, LTC insurance shoppers should be wary of new entrants in the market.

The third criterion, a history of keeping rates steady for policies in effect, is probably the toughest to figure out but could be the most important measuring stick.

As discussed in my prior post, you don't expect to make a claim against your long term care policy for a long, long time after you buy it. During that long time, the economy can have many ups and downs, possibly taking your insurer's finances up and down with it. At some point, the insurer may need to find a way to increase its income and may turn to its policy holders to get that income.

Long term care policy holders who receive notices of a rate increase would be caught in a dilemma. They can pay the increased premiums, or they can try to find new policies. The new policy choice is tricky, however. The policy holders are older now, so their new policies would cost more than their original ones. In addition, some of the policy holders would probably have become less healthy and perhaps could not qualify for a new policy. These "sick" policy holders would have the dubious choice of higher premiums on their existing policies or no long term coverage at all.

Please be aware, all long term care policies probably contain language allowing the insurer to raise rates. (An agent selling for a company that has, in fact, raised rates will quickly point out this language in their competitors' policies.) The only thing that potential buyers of new policies can control in this regard is the choice between insurers that have raised their rates versus those insurers that have not raised them.

This is not to promise that an insurer that has not increased rates in the past will continue to forgo rate increases in the future. No one can promise that. (As financial services advertisements explain over and over, good results in the past are not a guarantee of good performance in the future.)

On the other hand, I think it may be true that bad performance in the past is an indication of likely bad performance in the future. Raising rates on existing policy holders shows that an insurer may value its own financial results above the good of the policy holders. Accordingly, a company that has raised rates in the past is, I believe, more likely to do so in the future (when compared to an insurer that has not raised rates.)

Note: Do not look at changes in the cost of new policies over time. My discussion concerns rate increases placed on policies after those policies are already in effect.

Accordingly, when considering long term care insurance:

- Look at A.M. Best rated "superior" insurers,
- who have been in the long term care market for a long time, and
- who have not raised its rates on existing policy holders in the past.

### **Social Media Posts from the past week**

6-5-2014 A mother of a #SpecialNeeds child is . . . <http://ow.ly/xykc7>  
[http://thestir.cafemom.com/big\\_kid/172341/15\\_things\\_being\\_a\\_mom](http://thestir.cafemom.com/big_kid/172341/15_things_being_a_mom)

6-4-2014 A #PhysicalTherapist provides tips for the #FamilyCaregiver  
#SeniorCare <http://ow.ly/wHyJp>  
<http://www.ezrahomecare.com/home-care-blog/bid/110506/Three-important-tips-for-caregivers-from-Physical-Therapist-Videos>

6-3-2014 #AcceleratedDeathBenefits from a #LifeInsurance policy as  
#LongTermCareInsurance <http://ow.ly/xvgEk>  
<http://on.wsj.com/1jlArty>

6-2-2014 Reasons to like #InHomeCare <http://ow.ly/xv9Ci>

<http://www.lifestylesover50.com/2014-05-29-three-reasons-why-your-parents-will-love-in-home-care>

6-1-2014 #LongTermCare may become our next #FinancialCrisis <http://ow.ly/wYHOC>  
<http://www.reflector.com/opinion/editorials/editorial-long-term-care-crisis-2476801>

5-31-2014 Who pays for #LongTermCare <http://ow.ly/wYHz9>  
<http://beforeitsnews.com/health/2014/05/americans-confused-about-how-long-term-care-is-paid-for-2-2534710.html>

5-30-2014 Buy #LongTermCareInsurance from a proven, stable insurance company <http://wp.me/s47F09-329>  
<http://www.protectingseniorsnews.com/329/>

Older social media posts can be found in the [social media post archive](#) on the firm's website, [ProtectingSeniors.com](http://ProtectingSeniors.com).

## **The Koewler Law Firm News**

7-1-2014 Jim Koewler will present the continuing education program "Helping Medicare/Medicaid 'dual eligible' senior clients through 'My Care Ohio' enrollment" at ManorCare in Mayfield, Ohio. Continuing Education credit is available for social workers, counselors, and nurses.

8-14-2014 Jim Koewler will present the continuing education program "Legal Issues for People with Dementia" at Southwest General Health Center in Middleburg Heights. Continuing Education credit is available to social workers, counselors, and nurses.

9-26-2014 Jim Koewler will present "Preventing Senior Fraud" at the meeting of Eldercare Professionals of Ohio at Heart Home Care in Euclid, Ohio.

Older items of firm news can be found in the [news archive](#) on the firm's website, [ProtectingSeniors.com](http://ProtectingSeniors.com).

## **Jim's available presentations**

- Preventing Senior Fraud (Continuing Education credit available for social workers, counselors, nurses, and Certified Case Managers)
- Navigating Medicaid, Medicare, and the Affordable Care Act (Continuing Education credit available for social workers, counselors, nurses, and Certified Case Managers)
- My Care Ohio and Medicare/Medicaid “Dual Eligibles” (Continuing Education credit available for social workers, counselors, nurses)
- Government Benefits that can help Pay for Long Term Care (Continuing Education credit available for social workers, counselors, nurses)
- Legal Issues for People with Dementia (Continuing Education credit available for social workers, counselors, and nurses)
- Protect your Life Savings from the Costs of Long Term Care (Continuing Education credit available for social workers, counselors, and nurses)
- Veterans Benefits for Long Term Care (Continuing Education credit available for social workers, counselors, and nurses)
- Advance Directives – Powers of Attorney, Living Wills, etc. (Continuing Education credit available for social workers, counselors, and nurses)
- Buying Long Term Care Insurance Wisely (Continuing Education credit available for social workers, counselors, and nurses)
- Planning Ahead to Protect against Long Term Care Costs (Continuing Education credit available for social workers, counselors, and nurses)
- Protecting your Money when you need Long Term Care and Essential Estate Planning Considerations (with free living wills for the audience)
- Myths about Long Term Care
- How to help your Parents Manage their Affairs

### **Upcoming meetings**

6-11-2014 Medina County Senior Services Network, Pearlview Care Center, 8:00 a.m.

6-11-2014 Summit Senior Sales, Administrators and Marketers Association, Gardens of the Western Reserve, 2:30 p.m.

6-12-2014 Lorain County Senior Services Network, Nordson Depot, 8:30 a.m.

6-12-2014 Professional Networking Group's Health Fair, Euclid, 10:00 a.m.

6-13-2014 Eldercare Professionals of Ohio, Busch Funeral Home, Parma, 9:00 a.m.

6-16-2014 Medina County Senior Services Network's Education Committee, Tres Potrillos in Medina, 11:30 a.m.

- 6-17-2014 UH Bedford Senior Network, The Atrium of Anna Maria of Aurora, 8:30 a.m.
- 6-18-2014 PASS, Maplewood Assisted Living, 8:30 a.m.
- 6-21-2014 The Association of Specialists in Aging Health Fair, Mentor Senior Center
- 6-24-2014 Summit County Senior Services Network, Anthony Kucko Kertesz Funeral Home, 8:00 a.m.
- 6-24-2014 Professional Networking Group, The Atrium at Anna Maria of Aurora, 8:30 a.m.
- 6-26-2014 Parma Hospital Senior Resource Network, Northwestern Center, 8:30 a.m.
- 6-26-2014 Portage Senior Services Network, Coleman Adult Day Services, 8:30 a.m.
- 6-26-2014 The Association of Specialists in Aging, Mentor Senior Center, 8:30 a.m.
- 6-27-2014 Eldercare Professionals of Ohio, The Weils, 9:00 a.m.
- 7-2-2014 Stark Senior Services Network, Canton Baptist Temple, 9:00 a.m.
- 7-2-2014 Richfield Chamber of Commerce luncheon, The Taverne of Richfield, 11:45 a.m.
- 7-2-2014 Medina County Senior Services Network's Client Services Committee, Sully's 3:00 p.m.

## Newsletter Archive

Past issues of this newsletter can be found in the [newsletter archive](#) on the firm's blog site, [ProtectingSeniors.com](#).

## Contact Jim Koewler

If you'd like to contact Jim, this newsletter has a dedicated [contact page](#) on the firm's blog site, [ProtectingSeniorsNews.com](#).

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