

State Governments are Snookering Seniors

Boomers Beware!

ONTARIO, Calif., March 4 /PRNewswire/ -- Seniors have done their share. Millions stepped up and bought long-term care insurance policies. Unfortunately, big insurance and state government have failed to stop runaway premium increases. Those who bought and paid for rich coverage have been forced to lapse their policies. Now, long-term care insurance has your states' seal of approval and endorsement.

Last week's Wall Street Journal cover story detailed how the State of California sent millions of "pitch letters, urging low and middle-income residents to buy long-term care insurance to cover future nursing home bills." States Draw Fire for Pitching Citizens On Private Long-Term Care Insurance, see wsj.com.

"75 million Americans over 50, are aggressively being targeted for long-term care," says Frank N. Darras, the nation's leading disability and long-term care insurance lawyer. "Why hasn't State government stopped runaway premium rate increases? Seniors need to keep their coverage."

Some insurance companies, greedy for market share, oversold and under priced long-term care. Why? Long-term care generates 10 million dollar a year in premiums. Policies were poorly underwritten, had generous contract language and paid big commissions. These same carriers are now succeeding with repeated rate increases. See <http://www.darrasnews.com>.

The Journal went on to say, "Behind the plug: California, like many other states, is trying to curb the high costs of long-term care paid under Medicaid. Last year, Medicaid expenditures for nursing-facility and other long-term care bills hit \$100 billion. Along with California, 14 other states are now endorsing long-term care policies under marketing partnerships with the insurance industry. More than a dozen others are getting started."

Seniors can't endorse big insurance or put faith in long-term care partnerships until several things happen, says Darras.

- First, state governments must stop granting unreasonable rate increases. How are seniors going to fund 100-300% price increases when they depend on social security checks to eat?
- Second, seniors need reassurance their state will ensure their righteous claims get paid timely. What good is a policy if the claim process is difficult and confusing?
- Insurance companies know sick people don't fight hard.
- Old people don't last long.

"Drilling seniors into the claim mud pays rich dividends," says Darras. "Seniors frustrated with the process give up and eventually lapse their coverage."

Big insurance wants seniors to lapse their coverage? Why? Many carriers are losing their financial shirts. Investment income is down. Poor underwriting has saddled carriers with a mountain of claims.

Darras says that Seniors are in a confidence crisis and need their

state government to protect them. Offering "state approved insurance policies" that tout enhanced consumer protection is terrific.

State government has a poor track record of helping seniors keep their policies or get paid. Every state needs to stop long-term care rate increases. Get your seniors' claims paid and then ask them to buy.

SOURCE Frank N. Darras