

## Scam Watch: Long-Term Care Insurance

By: Carole Moore

As long-term care insurance rates catapult and policy benefits plunge, many aging Americans who thought they had good coverage are discovering just the opposite.

On top of that, some consumers are losing thousands of dollars each year to fraud.

That's what victims of four Pennsylvania men believed to have scammed dozens of seniors out of premiums for long-term care insurance told a judge recently. In those cases, not only were many sold worthless policies, but they were also the targets of what's known in the industry as "churning."

Churning is when a client is influenced into canceling a perfectly good policy for what's represented as a better one, according to James Quiggle, director of communications for the Coalition Against Insurance Fraud.

"Then the expensive replacement policy is little better than your original one," says Quiggle. That means victims forfeit years of premiums, sometimes exposing themselves to a claims denial for pre-existing conditions. Other times, it can mean throwing a good policy away for one that's not only inferior, but may pay out nothing at all.

Examples of long-term insurance scams

Quiggle says that some of the more common industry scams involve providers who:

Lie that a policy will cover all of the consumer's needs.

Use pitches to frighten consumers into purchasing a policy. For example, they might say it will help prevent them from becoming a financial burden to their families.

Sell expensive policies to people the agents know can't afford the high premiums.

Sell multiple expensive and overlapping policies when only one is needed.

Quiggle says consumers can fight back after being scammed, but they're better off being proactive and doing their homework before purchasing a policy. For example, he says, when an agent tries to change an existing policy or sell consumers a new one, they should "go slow, resist pressure and get a second opinion from another trusted adviser with known expertise in this area."

Quiggle has other important advice for those considering buying or upgrading a long-term care policy and urges consumers to "shop an agent before even thinking about a policy if you're a first-time buyer."

Here are Quiggle's quick tips on finding a good agent:

Interview at least three agents.

Ask yourself if they can

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clearly and thoroughly walk you through the lingo and intended policies.

Don't put up with impatient or pushy agents.

Check the agent's experience in the long-term care field.

When claims are denied

Rachel Teicher, a spokesperson for Kantor and Kantor, a law firm that deals with consumer-based health-related claims against insurance companies, says consumers should understand what they are buying before they open their wallets.

"Because most longer-term care insureds are elderly, infirm or cognitively impaired, they are vulnerable," Teicher says, adding that Kantor and Kantor sees a lot of unscrupulous insurance companies take advantage of vulnerable consumers. Most of the problems that come to their attention involve denial of claims.

"All long-term care policies are not the same," says Teicher.

According to Teicher, these are some of the more common types of denial and ways to protect the consumer against them:

Care was not provided by an eligible care provider. Investigate the licensing requirements of both the policy and the state when choosing a facility or caregiver.

Care was not appropriately documented. Make certain providers keep detailed records of delivered care.