

# What Shopping Tips Should You Keep in Mind?

Here are some points to keep in mind as you shop for long term care insurance.

## **Ask Questions**

If you have questions about the agent, the insurance company, or the policy, contact the New York State Department of Insurance or the Long Term Care Insurance Education and Outreach Program

## **Check with Several Companies and Agents**

Contacting several companies (and agents) before you buy is wise. Be sure to compare benefits, the types of facilities you have to be in to get coverage, the limits on your coverage, what's excluded, and, of course, the premium. (Policies that have the same coverage and benefits may not cost the same.)

## **Check Out the Companies' Rate Increase Histories**

Ask companies about their rate increase histories and whether they have increased rates on long Term Care insurance policies that they sell.

## **Take Your Time and Compare Outlines of Coverage**

Never let anyone pressure or scare you into making a quick decision. Don't buy a policy the first time you see an agent, Ask for an outline of coverage. It outlines the policy's benefits and points out important features. Compare outlines of coverage for several policies and make sure the outlines are similar (if not the same) when comparing premiums.

## **Understand the Policies**

Make sure you know what the policy covers and what it doesn't. If you have any questions, call the insurance company before you buy.

If you receive any information that confuses you or is different from the information in the company literature, don't hesitate to call or write the company to answer your questions. Don't trust any sales presentation or literature that claims you have only one chance to buy a policy.

Some companies sell their products through agents, and other may sell their policies through the mail, skipping agents entirely. No matter how you buy your policy, check with the company if you don't understand how the policy works.

Talk about the policy with a friend or relative. In New York State you may want to contact the state insurance department or contact the Long Term Care Insurance Education and Outreach Program.

## **Don't be Misled by Advertising**

Most celebrity endorsers are professional actors paid to advertise. They are not insurance experts.

Medicare does not endorse or sell long term care insurance policies. Be wary of any advertising that suggests Medicare is involved.

Don't trust cards you get in the mail that look like official government documents until you check with the government agency identified on the card. Insurance companies or agents trying to find buyers may have sent them. Be careful if anyone asks you questions over the telephone about Medicare or your insurance. They may sell any information you give to long term care insurance marketers, who might call you, come to your home, or try to sell you insurance by mail.

### **Don't Buy More Coverage Than You Need**

You don't have to buy more than one policy to get enough coverage. One good policy is enough. Also, don't buy more insurance than you need. If you already own a policy and you are considering switching plans or upgrading your coverage investigate your options thoroughly. Be sure that the replacement is effective before you terminate the older policy. Be sure to discuss any change in your coverage with your financial advisor.

### **Be Sure You Accurately Complete Your Application**

Don't be misled by long term care insurance marketers who say your medical history isn't important.-it is! Give correct information. If an agent fills out the application for you, don't sign it until you have read it. Make sure that all of the medical information is right. If it isn't and the company used that information to decide whether to insure you, it can refuse to pay your claims and even cancel your policy.

### **Never Pay in Cash**

Use a check, money order made payable to the insurance company.

### **Be Sure to Get the Name, Address, and Telephone Number of the Agent and the Company**

Get a local or toll-free number for both the agent and the company.

### **If You Don't get Your Policy Within 60 Days, Contact the Company or Agent**

You have the right to expect prompt delivery of your policy. When you get it, keep it somewhere that you can easily find it. Tell a trusted friend or relative where it is.

### **Be Sure You Look at Your Policy During the Free-Look Period**

If you decide you don't want the policy soon after you bought it, you can cancel it and get your money back. You must tell the company you don't want the policy within a certain number of days after you get it. How many days you have depends on the free look period. In New York State this period is 30 days. If you want to cancel:

- Keep the envelope the policy was mailed in. Or ask the agent for a signed delivery receipt when he or she hands you the policy
- Send the policy to the insurance company along with a short letter asking for a refund.
- Send both the policy and the letter by certified mail. Keep the mailing receipt.
- Keep a copy of all letters

It usually takes four to six weeks to get your refund.

### **Read the Policy Again and Make Sure it Gives You the Coverage You Want**

Check the policy to see if the benefits are what you expected. If you have any questions, call the agent or company right away. Also read the application you signed. It is part of the policy. If it is not filled out correctly, contact the agent or company right away.

### **Think About Having the Premium Automatically Taken Out of Your Bank Account**

Automatic withdrawal may mean that you won't lose your coverage if an illness makes you forget to pay your premium. If you decide not to renew your policy, be sure you tell the bank to stop the automatic withdrawals.

### **Check on the Financial Stability of the Company You're Thinking about Buying From**

Several insurer rating services analyze the financial strength of insurance companies. The ratings can show you how some analysts see the financial health of individual insurance companies. Different rating services use different rating scales. Be sure you find out how the agency labels its highest ratings and the meaning of the ratings for the companies you are considering. You can get ratings from some insurer rating services for free at most public libraries.