



# Web Eagle

**Special Edition**  
November 2014

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## *Long Term Care Awareness Month*

As an insurance agent, you play a critical role in helping your clients protect their assets by helping them finance the cost of a long term care event. In recognition of Long Term Care Awareness Month, we've dedicated this entire newsletter to help you discuss with your clients the importance of having a long term care insurance plan in place.

For this special edition of our Web Eagle, we have assembled useful information from several well-known industry sources. First there's a skillfully written article from **Stephen A. Moses, founder of the Center for Long Term Care Reform**. Stephen's article provides a strong argument for the need for LTCi and includes various links to valuable information. We've also provided links to free marketing tools from the **American Association for Long Term Care**. These tools contain material to help you promote LTC to your clients. United Security Assurance is proud to be a member of both these national organizations.

It's my hope that you will find this special edition informative and helpful to growing your business.

Best Wishes,

Bill Neugroschel,  
President and CEO  
United Security Assurance

## *"LTC Awareness: Easier Said than Done"*

By Stephen A. Moses

Another November [Long-Term Care Awareness Month](#) is just around the corner. Yet surveys and studies continue to show that the public is in denial about LTC risk and cost.

What gives?

The [“3 in 4 Need More”](#) campaign has promoted a major bus tour and many public service announcements (PSAs) on the subject. Creative publicity by the [American Association for Long-Term Care Insurance](#) (AALTCI) comes out like clockwork including an annual spread in Kiplinger’s Personal Finance magazine. We did our part at the Center for Long-Term Care Reform. I spent the whole year of 2008 and a good portion of 2009 on the road for our [“National Long-Term Care Consciousness Tour”](#) in the [Silver Bullet of Long-Term Care](#). Unlike earlier years, the national media is full of articles about the need for health and long-term care planning.

Still, you can almost hear Americans snoring when it comes to long-term care. Why and what’s it going to take to wake them up?

I think the answers are pretty simple and grounded both in human nature and public policy. No one wants to think about growing old, becoming feeble or infirm, and needing help with dressing, using the toilet and doing other basic activities of daily living. No wonder people evade thinking about long-term care.

But families would not have the luxury of ignoring LTC risk and cost if it were not for well-intentioned but counter-productive public policy. Medicaid and Medicare pay for the vast majority of all expensive long-term care in the USA. Social Security pays indirectly for half of private “out-of-pocket” LTC expenditures, because Medicaid recipients must contribute all but a pittance of their Social Security checks to offset the cost of their care.

But, you might argue, Medicaid is welfare and it has a terrible reputation for problems of access, quality and institutional bias. Who in their right minds would plan to go on Medicaid?

But, that’s the point. They don’t plan. They don’t think about LTC until it’s too late to plan. Then, the path of least resistance is to rely on Medicaid, which often looks more attractive to heirs protecting their inheritances than to elders who by then may be cognitively impaired and unable to make their own decisions.

Public policy impedes LTC awareness and planning in other ways too. By forcing interest rates down to near zero, the Federal Reserve has prevented insurance carriers from making the actuarially anticipated level of return on reserves. This policy has forced carriers to raise rates on new and existing policies making LTC insurance less affordable and harder to market.

What’s the solution? The long-term care insurance industry should support changes in public policy that target scarce Medicaid LTC resources to people genuinely in need. Longer and stronger transfer of assets restrictions; more aggressive Medicaid liens and estate recovery; closing egregious eligibility loopholes like the Medicaid-compliant annuity dodge; and publicizing these stricter policies would not only save Medicaid money, but it would greatly increase voluntary LTC planning and LTC insurance sales.

You may not have long to wait for that solution to occur. Government fiscal (spending) and monetary (money printing) policies have failed. Sooner or later, skyrocketing debt and unfunded entitlement liabilities will compel changes like those we’ve recommended.

But what should you do in the meantime? Don’t let the public’s blasé attitude toward LTC planning discourage you. Look at it as an opportunity instead of a disadvantage. Do you really think generous commissions would still be in the offing if LTC insurance were already a commodity that everyone buys?

The trick, I think, is to reconceptualize your mission. Become the “Paul (or Paulette)

Reverse” of long-term care. Wake the public up about LTC risk and cost. Hammer the message home. Show them why avoiding long-term care planning was never a good idea, but it is a terrible idea today. Use facts, logic, and the best possible sources to back you up.

By the way, providing those facts, logic, and sources is our job at the Center for Long-Term Care Reform and we welcome you to our website at [www.centerltc.com](http://www.centerltc.com) to find them anytime. Our LTC Clippings, [LTC Bullets](#), and LTC E-Alerts supply your ammunition. Fire when ready!

## *Tools to Encourage LTC Planning*

The American Association for Long-Term Care Insurance (AALTCI), has provided a number of free marketing tools including suggested generic letters, an E-Card, as well as other materials to help you promote the need for LTC to your clients. To view what's available, go to the [AALTCI website](#).

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