









# LTCI PROCESSING



One of the biggest challenges in selling Long Term Care insurance (LTCi) is understanding the differences between processing Life insurance and processing LTCi, which is a health insurance policy. The points below should help define the ins and outs of LTCi processing.

## Long Term Care insurance is **NOT** like Life insurance:

-  **APS ORDERING:** Agents are not permitted to order the Attending Physician Statements (APS) as they are with Life insurance. The carriers will order their own or instruct us to order the APS. The underwriting process for LTCi may include a telephone interview, face-to-face interview, parameds, and necessary consent forms. If not properly completed with the client's signature, the carriers will stop the process.
-  **CASE SHOPPING:** Long Term Care insurers will not "shop" a case. In other words, we cannot send an informal (trial) request to several carriers to obtain the most favorable underwriting. We are, however, familiar with our carriers' underwriting criteria, and will suggest who we think may consider your client's health risk. Few options exist, however, as carrier underwriting is similar.
-  **HEALTH RATINGS:** Substandard ratings are limited, with many carriers only issuing policies without any additional ratings. These carriers will not consider flat extras or table ratings to approve an applicant they feel is likely to submit an immediate claim against the company, nor do carriers make table-rated offerings.
-  **INFORMATION TRANSFER:** LTC insurance carriers will not transfer information to other carriers upon request (Life insurance carriers will). However, some carriers may notify the Medical Information Bureau of any declines.
-  **POLICY REPLACEMENTS:** LTCi replacements in most cases will result in significantly reduced compensation under most circumstances. When replacing coverage please make sure it is in the best interest of the client.
-  **PREMIUM SUBMISSION:** LTC insurers generally require premiums to be submitted with applications to bind coverage. They will not issue a policy on a COD basis as with Life insurance; Multi-life cases may be an exception.
-  **TRAINING, TAX ADVANTAGES, AND LIABILITY:**
  - The majority of states now require LTCi-specific Continuing Education credit or Long Term Care Partnership Training.
  - LTCi offers potential tax advantages to the business market and individuals.
  - A potential liability may exist if an agent fails to offer Long Term Care insurance for protection of a client's assets and financial plan.
-  **UNDERWRITING TIME:** Underwriting LTCi may take longer than Life insurance because the carrier is evaluating morbidity and/or mortality issues. Expect underwriting to take 6 to 8 weeks unless submitted under simplified issue. In addition, some carriers now require parameds and an APS for all applicants.

We hope that these points offer greater clarification around the differences between processing Life and processing Long Term Care insurance.

**As underwriting is always evolving, please contact us at 800.279.0751.**