

Long-Term Care Insurance Guide: Reasons You Might Be Denied Coverage

Understanding common reasons that applicants can't obtain coverage may increase your odds of getting long-term care insurance.



Regardless of what stage you or a loved one are at in life, considering long term care can be a very important step in managing your future care needs and costs as you get older. However, long term care can be a confusing and even frustrating process to navigate.

Get to know the basics of long-term care insurance

An overview of long-term care insurance should help answer a lot of questions regarding long term care insurance. This includes what coverage may be available, where to buy long term care insurance, and other common considerations of insurance coverage. It also reviews other details like at what age you may want to think about getting coverage, critical policy components to consider, common insurance carriers, and even alternative coverage options or plans that may work better for you.

Risk of rejection and insurer differences

When evaluating long term care insurance, it is important to consider that many people may ultimately be rejected from even getting initial coverage at all. Also, for those that an insurer views as higher risk or with certain conditions (either currently or previously present), individuals may be granted coverage but face higher financial premiums that must be paid overtime to receive coverage.

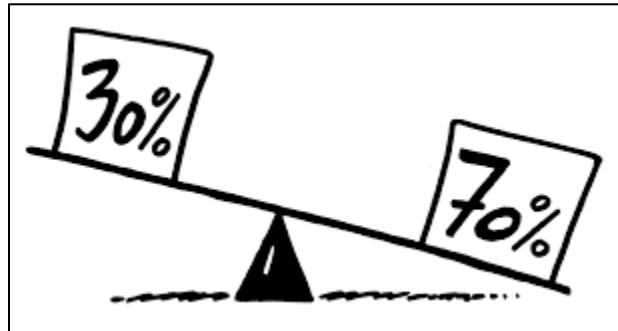
Regardless of one's individual situation, keep one thing in mind as you review this list of common reasons for denials. Underwriters reviewing your medical history are not all the same across organizations. For example, one insurance company may look at your personal situation and deem you to be uninsurable. However, another company could consider your risk factors or history to be perfectly acceptable for them to issue a policy. Therefore, don't be discouraged if you fear getting denied for insurance coverage after reviewing the information below. Even if you get a denial or receive an expensive premium quote, don't give up just yet, even if your rejections happen with several different insurers.

Long term care rejection statistics

Below we present the percent of applicants that are denied coverage when seeking out long term care insurance plans. As you can see, an applicant that applies for long term care will find that plan denials broadly increase as the individual's age increases.

- Applicants between the age of 50 and 59 are declined 13.9% of the time.
- Applicants between the age of 60 and 99 are declined 22.9% of the time.
- Applicants between the age of 70 and 79 are declined 44.8% of the time.
- Applicants aged 80 and older are declined 69.8% of the time.

Individuals that are under the age of 50 are denied only 7.3 percent of the time. To reduce your rate of denial, consider applying at a younger age. This is one way to prevent coverage being declined, but also the single most important factor that leads to denials above all others. However, as you will soon see, there are many factors that can contribute to long term care coverage being denied to an applicant.



Most Common Reasons for Long Term Care Insurance Denials

Below, we list the most common reasons that individuals get denied long term care insurance coverage:

Diabetes: For those that have or had diabetes, long term care insurance coverage becomes more difficult to obtain.

Stroke: Just like diabetes, individuals that have had a stroke are considered greater risk, and therefore are more likely to be rejected by an insurance carrier.

Heart problems: The presence or history of heart conditions or concerns is considered a red flag for insurance carriers. Therefore, expect that you may be more likely to be denied coverage if you have heart problems.

Back pain: Even though back pain is extremely common in the population, it doesn't make it any less likely that you might be denied long term care insurance as a result.

Arthritis: Another common condition affecting many Americans, particularly seniors, having arthritis may complicate your ability to get long-term care insurance coverage.

Being a smoker (currently or previously): It might not be a surprise that a history or presence of smoking could prevent you from getting long term care insurance. Smoking fuels a host of health problems, and insurers will most certainly take note. It can lead to cancer, heart disease, and even eye health concerns.

Memory problems: Memory problems may not seem like a big deal to some, but to an insurance carrier, it can be a sign of trouble later in life. In particular, denial of coverage is related to the potential risk of getting dementia or Alzheimer's.

Psychiatric or mental health concerns: While a mental health concern might not seem like a direct link to long term care insurance, the presence or history of a psychiatric condition or disorder is considered a greater risk for insurance providers to take on. Because of this, a denial of initial coverage becomes more likely.

Cancer: If you currently or previously have had cancer, expect your chances of getting long term care insurance to drop. As you might expect, insurance companies will be focused on a resurgence of cancer or other tumors that increase the likelihood of an expensive claim. An insurer would also consider related health issues that stem from having cancer which would increase the possibility of long-term care needs.

Previously used or needed long-term care: From the point of view of the insurer, if you needed long-term care in the past, you are at a greater chance of needing it again. Because of this and the associated costs, you might be denied right off the bat.

Obesity (a body mass index that exceeds 40): As you may have noticed, many of the items listed here relate to a greater risk of health complications now or down the road. Concerns about weight, whether being too thin or too heavy, can lead to an increased risk of health complications. Therefore, your chance of long-term care coverage may be diminished.



Individuals that need assistance with any one of the following activities:

- Bathing themselves
- Getting dressed
- Feeding or eating
- Toileting: being able to use the toilet
- Continence: the ability to be able to control bladder and bowel movements.
- Transferring: This is being able to either walk or move oneself from a bed or a chair and back again.

Each of the previously mentioned six functions relate to activities of daily living. If a person applying for coverage is already receiving hands-on care to help with daily activities, their assistance and requirements will usually continue to be present and increase in needs and frequency as time goes by. Therefore, if you currently have these needs, then your daily activity needs will almost certainly lead to pricey future claims for the insurer. Due to this high chance of a claim, the insurer will often deny the applicant up front.

Improving your odds of long-term care insurance approval

Just because you have one or more of the reasons for common denials here does not mean you are guaranteed to be denied. You can improve the odds of getting long term care insurance by helping to mitigate or minimize your risk factors, including those listed here. Another tip to consider is that a previously present condition is usually better than a current condition. For

example, if you previously had a stroke but have taken other proactive steps to help prevent further stroke or health risks, then you may improve your odds of coverage going forward.

Coverage may be in the eye of the insurer

Guidelines for leading insurance companies can differ. This can even be the case within the same company. Underwriters can interpret medical records or findings differently between individuals. The presence of diabetes may seem straightforward to you, but it could mean different things to different insurers.

This is particularly true if you have a long medical history for underwriters to consider and comb through. Unfortunately, a longer medical history might mean that an underwriter finds cause for concern and ultimately a denial. Underwriting long term care plans is definitely more art than science. There are just too many variables to consider.

Improve your overall health for a better chance of acceptance

Working to improve your overall health will not only benefit your well-being. Your own financial expenses and out of pocket obligations should decrease as well. Plus, you may be able to maintain your independence for a long and thriving life at home.

Utilize a good broker or agent

Partner with the right insurance broker that can help navigate the confusing and complicated world of long-term care insurance. A trusted broker can help you get a variety of quotes and help remove the headaches of dealing with underwriters. Plus, they can help break down the differences between plans that go beyond cost. Coverage can and will vary between plans. A knowledgeable broker or agent can help you understand in plain terms how a plan varies while considering your individual needs and preferences to find a plan that works for you.

Getting approved for coverage

When you work with an experienced LTC specialist, you gain a better chance of getting approved for coverage with the right carrier. You may be wondering if you could be eligible for LTC insurance, connect with Peggy Fields, a Licensed LTC specialist to find the right fit for you.

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Peggy Fields
Multi-State Licensed Agent
peggyfields.acsiapartners.com
Cell: 704-839-1158
Peggy.Fields@acsiapartners.com

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