

# Saving Money on Your Insurance

BY JOSE MONTEMAYOR

## *Texans Can Shop On-Line for Long-Term Care Insurance*

**T**EXANS CAN NOW comparison shop for long-term-care (LTC) insurance without leaving their computer terminals.

The Texas Department of Insurance (TDI) has added a comprehensive LTC rate guide to our Web site, [www.tdi.state.tx.us](http://www.tdi.state.tx.us). A link to the guide appears on our home page. The guide provides rates for policies available in Texas when we surveyed insurers early in 2001.

Unlike auto, homeowners and Medicare supplement insurance, long-term care policies are not standardized. To get realistic rate comparisons, TDI's Consumer Protection staff asked insurance companies to price 18 different coverage scenarios.

Nine scenarios are for "tax-qualified" plans and nine are for non-tax-qualified plans. With a tax-qualified plan, you can deduct premiums as medical expenses on your federal income tax return, up to a specified amount.

Variables that affect the cost of a long-term policy include:

- **Daily benefit amount.** The rate guides include samples for \$100 per day for nursing home care and \$50 a day for home health care. Some policies pay only for nursing homes while others pay for home health care as well. The rate guides price both types.
- **Elimination period.** This is how long a person pays for his or her own nursing home or home health care expenses before insurance starts to pay.
- **Benefit period.** This is how long a policy pays benefits. The rate guide

has samples for two years, five years and lifetime.

- **Your age.** Long-term care insurance is more expensive the older you are when you buy it. The rate guide prices each policy at nine different ages, five years apart, from 40 to 80.

The rate guide's samples include various combinations of variables that affect the price of coverage. For example, Sample Policy 8 is a tax-qualified plan that pays for either a nursing home stay or home health care for up to five years. It has an elimination period of 30 days for nursing home and 60 days for home health care. The daily benefit is \$100 for nursing home and \$50 for home health care. It pays benefits for up to five years or maximum dollar amounts of \$182,500 for nursing home coverage and \$91,250 for home health care. For a person who buys the policy at age 60, premiums range from \$600 for the least expensive policy to \$1,002 for the most expensive.

Clicking on the number of a particular company's policy brings up other information, such as company address and phone number, available discounts, range of benefits available, optional additional coverages and length of waiting periods—if any—for coverage of pre-existing conditions. It also shows whether the company filed a rate increase with TDI for that particular policy in the previous 10 years.

Clicking on the name of the company brings up its company profile, which includes financial data, company history and complaint information. ★

### **Editors:**

- *If you need further information, call:*  
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*We welcome your questions and suggestions about this column.*