

## [Long-term care insurance costs on the rise, what you can do](#)

### Local News

Posted by:

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One of the most common complaints we hear -- and one of the most frustrating -- is from people who have been paying for [long-term care insurance](#) for years, but are on the verge of losing the coverage because they can't afford the cost of fast-rising premiums.

Unfortunately, [this is a national problem](#).

So [what can you do if the increase is more than you can afford](#)? You can choose to reduce your benefits under the policy, such as: Reduce your daily benefit Reduce the benefit period duration, such as from five years to two Reduce the amount of your optional inflation protection:

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You can also choose what's called the contingent non-forfeiture option. Under this option, you keep your policy in force and stop paying premiums. Your coverage does not end, and the company provides benefits for qualified long-term care services covered under your policy -- here's the caveat -- equivalent to the premiums you've paid.

You may also want to look at the [Washington state Long-Term Care Partnership Program](#), a new option to help consumers pay for long-term care costs and avoid spending down or transferring assets to qualify for Medicaid.

Why have long-term care prices been going up so much in recent years?

Long term care insurance is a fairly new product, with many companies not offering it until the early 1990s. As a result, they had little experience to base their prices on, and early policies were priced significantly lower than they should have been, based on how the cost of claims and the fact that -- unlike life insurance, for example -- few people cancel the policies. People get the policies, knowing they may well need them when they're older, and they tend to keep them. As a result, most long-term care insurers have bumped up their premiums sharply in the past few years -- in some cases 40 percent or more -- angering customers who signed up for policies at relatively low cost years ago. This puts insurance regulators in a bind. Consumers are understandably unhappy. But if regulators reject the rate increases, the insurance carriers could run into financial trouble, leaving them unable to pay claims. And nationally, a number of insurers have simply gotten out of the business of issuing new long-term care policies, which leaves consumers with even fewer choices. (In Washington, there are still a large number of companies approved to sell the coverage. [Here's a list](#).)