Regulator calls for a long-term care planning shift

JAN 05, 2017 | BY ALLISON BELL

Teresa Miller of Pennsylvania says long-term care planning must follow the same path that retirement planning took. (Photo: Thinkstock)

The head of the Long Term Care Innovation Subgroup says creating a savings mentality has to be part of improving the U.S. long-term care planning system.

Teresa Miller, the Pennsylvania insurance commissioner, talked about an effort to shift the country to a long-term care savings mentality in a document prepared for a subgroup meeting held in December.

The subgroup is an arm of the National Association of Insurance Commissioners, a Kansas City-based group for state insurance regulators.

Miller, the chair of the subgroup, said managers of traditional pension funds had to overcome the idea that the "defined benefit pension plan does it all," and move toward encouraging workers to save for their own retirement using 401(k) plans.

The long-term care finance community needs to follow a similar path, to get past overly ambitious long-term care insurance strategies that created toxic blocks of business and unaffordable premiums, Miller told the subgroup.
3 new fears about the long-term care planning gap

Lincoln Financial executives want to see awareness month lead to action month.

Related: NAIC seeks long-term care insurer insolvency comments

Miller said regulators should work to:

- Change regulations to support long-term care savings products, and hybrid products that combine long-term care insurance benefits with other types of products.
- Support federal tax incentives that promote long-term care savings; and
- Increase awareness of existing products that support a savings mentality such as hybrids, annuities aimed at people who already need long-term care services, life settlements and reverse mortgages.

Birny Birnbaum, one of the consumer advocates who represents consumers in NAIC proceedings, said tax incentives often help the wealthy, according to the meeting notes. Birnbaum said designers of tax incentives need to think about how they might affect lower-income people and people who do not pay taxes.

Related:

States slow to adopt NAIC health models

6 ideas for this week's big long-term care hearing

We're on Facebook, are you?

---

Featured Video
The AppAssist tele-app program is a win-win for advisors and customers

PROVIDED BY LEGAL & GENERAL AMERICA

Drop a simple ticket, and AppAssist takes over the administrative burden of application fulfillment and case management.

SHARE THIS VIDEO

Most Recent Videos

Behind the scenes with Vicki Gunvalson [VIDEO]

PROVIDED BY LIFEHEALTHPRO

In this exclusive interview, Vicki Gunvalson shares how she built a $15 million a
year annuity business by planning for...

Regulator: Market may need to reinvent LTCI

PROVIDED BY LIFEHEALTHPRO

Cioppa says Maine's governor wants to spur the creation of better products.

Dementia: It's more than Alzheimer's

PROVIDED BY LIFEHEALTHPRO

An association calls for policymakers to remember lesser-known neurodegenerative conditions.
Protesters Disrupt WellPoint Annual Meeting

PROVIDED BY LIFEEHEALTHPRO

Hecklers call for more disclosures of information about political contributions.
Presenting the Fiduciary Resource Center
Keep track of the latest developments related to the DOL rule and how you need to adapt your firm to comply with changes and provide the best services to your clients.

LEARN MORE

Presenting the LifeHealthPro Video Library
Access informative videos from our expert editors and industry partners. Videos will be available throughout the site and can be shared with colleagues and clients.

BROWSE VIDEOS

The cost of non-U.S. health insurance is soaring, too
You've wrestled with the Affordable Care Act. Everyone's wrestling with liquid biopsies.