

# Choosing A Long-Term Care Insurance Company

**What is the financial strength of the company?** The financial strength of the company is very important. You want to purchase your policy from a large insurance company that has the financial backing to be able to handle the future claims. Remember that you are buying coverage today which you do not plan to need for twenty or thirty years. If you are unsure how to evaluate a company's strength, there are a number of rating agencies that you can consult.

**What are the financial ratings of the company?** There are several third-party institutions that rate the financial strength of the insurance companies. They are as follows:

- [A.M. Best Company](#)
- [Fitch, Duff & Phelps](#)
- [Moody's Investor Service, Inc.](#)
- [Standard & Poor's Insurance Rating Service](#)
- [Weiss Rating](#)

**For a complete listing of the rating's of long-term care carriers click here for**  
[Company Ratings](#)

**How long has the company offered long-term care insurance?** You want to choose a company that has been selling long-term care insurance for a number of years. Long-term care is a fairly new product, only in existence for about 15 years. During the early years, some companies offered long-term care insurance but found it to be hard to manage profitably as no actuarial or historical cost to benefit ratios existed in the beginning. Generally, the floundering companies sold their existing policies to other, larger companies. Early policyholders were discouraged by rate increases and company name changes. Inquire before you buy to be certain.

**How can I tell that I am considering a truly price-competitive product?** You do not necessarily want to buy from a company with the reputation of having the cheapest policies available. You want to look for a company that offers a policy with the full compliment of benefits you need at a price you can afford. This can be done. You may need to make some choices based on your priorities.

There are more than 80 companies that offer long-term care insurance and their pricing varies widely. Some policies are cheaper because they do not contain the same benefits on close examination. Be very careful to understand the coverage that you are considering to be certain that you are buying what you think you are buying. You will want to consult an agent you trust or one who has specialized in long-term care insurance. Keep in mind that long-term care insurance is a relatively new insurance product and not every insurance agent has had or taken the time to study it thoroughly.

**What percentage of a company's business is long-term care insurance?** If you examine how much long-term care insurance is sold by a company, relatively to all the insurance it sells, you will know all you need to know about its importance to them. This will tell you how committed they are to the long-term care insurance

market. Many companies offer long-term care insurance, but only a few stand out as leaders in the industry. Again, consulting someone you trust may be a shorter route than a lengthy examination or hours of research.

**Has the company you are considering ever raised premiums for long-term care?** Some companies have never raised their rates. Others have had several increases on the same group of policies. No company can promise that rates will never increase. If you are told that the company has imposed rate increases, find out if the company has tried to increase its business simply by buying market share. All companies exist for a profit but not all are managed with the same skill or efficiency.

**How many long-term care policies do they offer?** Long-term care insurance is not a "one-size fits all" product. You want to choose a company that offers several different policies or a policy with several additional riders to enhance the benefits of the policy - to make it suit your needs.

**How can I find the best agent to help me select my long-term care insurance?** There are agents all over the country who will be glad to help you. [Find a Long-Term Care Specialist.](#)