

# *Long Term Care News*

*January 2021 Edition*

We would all like to believe that it can't get any worse than our trip around the sun in 2020 – that 2021 will be much better, happier, healthier for everyone, so that's the wish! What we do know is that days are getting longer, giving you more daylight hours to sit in lines for Covid tests and vaccines, that at least in the Rochester area, average snowfall is way below normal, and that the Bills have at least one playoff game, hosted in their own stadium, in front of a handful of fans. And don't get us started on that development



## Carrier News

- **Genworth** announcing today that the “end date” for concluding the purchase by China Oceanwide, set for Dec. 30, 2020, is not being extended. The agreement remains in effect, but even these two parties got tired of kicking the can down the road repeatedly. Genworth's Plan B includes an IPO of its mortgage insurance business in the United States which would meet near-term liabilities that come due in 2021. After that, who knows.
- **G.E.**, on the other hand, is resolving their LTCI reinsurance issues, and has agreed to pay a \$200 million penalty to the SEC, and to provide reports for one year on efforts to improve accounting and disclosure controls. Clients who purchased LTCI through GE Financial were never impacted by GE's lack of clarity about its reinsurance business, but the similarity of names was nonetheless confusing to the average consumer.
- **HC2 Holdings, Inc.**, which owns Continental General and Continental LTC, has been approached by an investor/board member to sell these holdings to him. Continental LTC administers coverage for about 125,000 life, annuity, long term care and health insurance policyholders. The LTC policies include those sold by Continental General (no, not CNA), United Teacher Associates and Kanawha.
- **Mass Mutual** went out of the business of selling the NY State Partnership policy at the end of 2020, and plans to withdraw their remaining LTCI product from the market at some point this month.
- **National Guardian Life**, which offers stand-alone long term care coverage outside of NY State, has issued updated underwriting guidelines to cover both positive and negative Covid test results.
- **Transamerica** will be exiting the stand-alone long term care market, and will no longer be selling variable annuities with benefit riders, or fixed index annuities. Withdrawal dates yet to be announced, but ultra-low interest rates are being blamed as the reason for taking this action. Like all carriers who have withdrawn from the stand-alone LTCI market, it's not because they lose money. It's because they don't make enough!

Genworth has continued to update their annual “cost of care” survey, just published, with rising prices for assisted living and homemaker services leading the list – thanks to the Covid pandemic. Covid has made it much more difficult to recruit and retain care workers, and providers have experienced increased spending for training on new safety procedures, testing, purchasing personal protective equipment and cleaning supplies, and the extra benefits (hazard pay, child care costs) required to attract and retain staff.

Home care has become the gold standard, and qualified care agencies are adapting technology, adding digital capabilities into client homes to connect care professionals and families, and keeping patients safer while improving the quality of life for the whole family by allowing sons and daughters to remain in the workplace, while parents are cared for at home. It is believed that these upfront costs will enable pandemic-related policies to continue long after the virus is gone, to benefit patients and caregivers for years to come.

And no – transferring assets so Medicaid will pay the bill does not let your client stay at home. For starters, you can’t apply for Medicaid until you’re actually in a nursing home. Home care, care in independent/assisted living – that’s out of your own pocket, or for a life well-planned, out of the insurance company’s pocket.

For 2021 – new Medicare deductibles, taxable long term care premiums for Federal filers, and a COVID CARES allowance for an “above the line” deduction for charitable gifts made in cash up to \$300.

### **Articles of Interest**

- Nursing homes have accounted for almost half of all Covid deaths, no wonder 61 percent of Americans now report that they would rather die than live in a nursing home. Time to plan, time to fund the plan.
- So if not a nursing home, how about articles on “Having the conversation with a loved one about Senior Living,” or “Find your solution in an ADU.” Accessory Dwelling Units, not approved in New York State because they make too much sense, are also called “Granny Flats,” small living units that can be placed behind the house, allowing for privacy and immediacy to family if/when a health crisis occurs.

And many thanks to P.J. O’Rourke, sing this one to the tune of “Auld Lang Syne” – it’s okay, you’re home and nobody will hear you!

Should 2020 be forgot  
And never brought to mind?  
Should voting, riots, Covid be  
To trash can bin consigned?  
To hell with last year, my dear  
Erase it chapter and verse  
We’ll take a cup o’ 80-proof  
2021 can’t be worse!



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