



For Immediate Release

NCOIL PASSES NATIONAL LIFE INSURANCE CONSUMER DISCLOSURE MODEL LAW

Life Care Funding Group provides final testimony advocating for consumer rights and access to information

(November 19, 2010)— The National Conference of Insurance Legislators (NCOIL) passed by super-majority vote the Life Insurance Consumer Disclosure Model Law at their annual legislative meeting in Austin, TX. The members of the Life Insurance and Financial Services Committee heard testimony from Life Care Funding Group, Coventry First, the American Council of Life Insurers (ACLI), and MetLife and then voted 13-7 in favor of immediate passage.

Both Life Care Funding Group and Coventry First argued for consumers to have access to as much information and as many options as possible if they are considering surrendering or allowing a life insurance policy to lapse. The life insurance industry, represented by ACLI and MetLife argued that consumers could become confused if given too much information about their legal rights to alternative ways to keep their life insurance policies in force or convert them to other uses. The members of the committee supported giving the consumer information about their options and the only no votes came from members who thought the model bill did not go far enough. They suggested that insurance companies should inform policy holders on an annual basis what all of their rights and options are regardless of whether or not they might surrender or lapse their policy.

Chris Orestis, President of Life Care Funding Group testified that, “Our case workers hear from seniors and their families every day who have been paying premiums for years and are getting ready to abandon their policy. These are middle class Americans without insurance expertise and the typical size of their policy is well under \$500,000. They are being told by their insurance company that their only option is to pay or walk away.” He went on to give the example of a family with a life insurance policy about to lapse that they converted quickly into a long term care benefit plan that will help cover the costs of an assisted living facility for the next couple of years.

He concluded his testimony by saying, “With this Consumer Disclosure law, policy owners will not make decisions based on a lack of information and instead will be informed that they have a number of options to consider first that could make a significant difference in their lives, and at a time when they need it most.”

After the Model Law was passed the insurance industry representatives made it clear that they would fight its passage in the states.

Life Care Funding Group (www.lifecarefunding.com) can be reached at 888-670-7773 or info@lifecarefunding.com.

Testimony before the Life Insurance and Financial Planning Committee of NCOI is included below:

**Final Testimony – Life Care Funding Group
National Conference of Insurance Legislators (NCOIL)
Life Insurance & Financial Planning Committee
November 19, 2010**

Thank you to the members of the Committee for allowing me to participate in this very open, inclusive and thoughtful process.

I am Chris Orestis, President of Life Care Funding Group. We work with seniors and their families throughout the United States to help them raise funds they need to cover the costs of long term care. We specialize in converting a life insurance policy into a long term care benefit plan.

The Consumer Disclosure law currently being considered is important from three perspectives:

- 1) This is not about life settlements; it is about consumer rights to have access to information and options to get the best possible use and value for a life insurance policy based on their specific circumstances.
- 2) The consumer most helped by this law is the middle class policy owner about to discard one of their most valuable assets without the benefit of advisors or the knowledge that they have a number of alternative options to consider.
- 3) The intersection of a growing senior and Baby Boomer population and economic bust is creating a crisis for how seniors will fund their retirements and eventually long term care expenses. This disclosure law will help consumers understand they have a number of options to consider before discarding a policy, including converting their policy into a long term care benefit plan that holds the potential to address their financial shortfalls.

Our case workers hear from seniors and their families every day who have been paying premiums for years and are getting ready to abandon their policy. These are middle class Americans without insurance expertise and the typical size of their policy is well under \$500,000. They are being told by their insurance company that their only option is to pay or walk away.

Just two weeks ago we heard from a family with a \$95,000 life insurance policy entering its grace period. Their mother is in the process of making the move into long term care and they could not afford the monthly expenses. They called their insurance company to ask what they could do with their policy and they were told their only option was to pay the premiums or let it lapse. Then they contacted us. And now instead of allowing the policy to lapse, we are converting it into a long term care benefit plan that will help cover her costs of care and keep her off of Medicaid for at least the next two years.

With this Consumer Disclosure law, policy owners will not make decisions based on a lack of information and instead will be informed that they have a number of options to consider first that could make a significant difference in their lives, and at a time when they need it most.