

**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.