



# CAMBRIDGE

Realty Capital Companies

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## BLOGGER SAYS BASING LONG-TERM CARE INSURANCE PREMIUMS ON GENDER COULD LEAD TO MORE RELIANCE ON OVERBURDENED MEDICAID SYSTEM

A PulsePoints blog post on the Cambridge Realty Capital Companies website, [www.cambridgecap.com](http://www.cambridgecap.com), questions whether gender pricing for long-term care insurance will result in less long-term care planning and more reliance on an already burdened Medicaid system.

The blog quotes *The Washington Post* on moves by insurers providing long-term care coverage to set rates higher for women because they live longer. The Affordable Care Act rules prohibits insurers from charging more to women for healthcare coverage, but the rules do not apply to long-term coverage.

According to the Cambridge blog post, Genworth Financial has unveiled plans to base long-term rates on gender because women account for about two-thirds of all long-term insurance plan claims. The insurer says the change is necessary to "stabilize pricing for everyone."

As matters currently stand, the switch to gender-based pricing will only effect new policyholders who are seeking individual pricing. It will not affect new policyholders seeking a couples price with their husbands.

Also, the change will not apply in Montana and Colorado because state laws prohibit charges based on sex-based differences in these products.

Cambridge Chairman Jeffrey A. Davis says the American Association for Long-Term Care Insurance estimates the switch might raise premiums for women between 20 percent and 40 percent. Thus, a 55-year-old woman purchasing a \$200,000-a-year policy would pay an annual premium of about \$1,700.

But this coverage is not necessarily expansive, as much more might be needed for longer nursing home stays, Davis points out.

"The gender-based pricing scheme is not without its critics. As one patient advocate and public policy professional puts it, gender pricing is good for insurance companies but bad public policy and bad for women."

"If other insurers follow suit, the change will make it harder for individuals to fit policy premiums in their budget. The result may be less long-term care planning and more reliance on an already burdened Medicaid system," he said.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading nursing home, [assisted living](#) and healthcare debt and equity capital providers, with more than 400 closed transactions totaling more than \$4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD LEAN) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

Cambridge is the creator of *The Signature Experience*<sup>™</sup>, a four-step process designed to transform the traditional lender/borrower relationship and identify "ideal" capital solutions for worthy projects. The company has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly e-PULSE!(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients, as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, [www.cambridgecap.com](http://www.cambridgecap.com), and Cambridge can be reached at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto:info@cambridgecap.com).

The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap>, via Facebook at <http://www.facebook.com/cambridgecap>, via blog at [www.cambridgecap.com/blog](http://www.cambridgecap.com/blog), via YouTube at <http://www.youtube.com/user/ePulseLive>, and via LinkedIn at <http://www.linkedin.com/companies/454232>, where information on the firm and its employees can be found..

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