

[TRACK 9: SURVIVOR STORIES: VIATICAL SETTLEMENTS]

[Social Worker]

Another possible resource that many people use to help with more immediate money problems is the option of a viatical settlement. Glenn made some inquiries about this option when it came time to pay some of the farm bills. Additional options that Glenn might consider are accelerated death benefits, reverse mortgages, and regular bank loans.

Glenn, in his late 60s: Part II

[Glenn]

My wife, son, and I met with a benefits counselor at the Veterans Administration benefits offices. I explained that I was a little worried about our cash flow - after all, our livelihood depends on getting the corn planted in the spring. The counselor asked if I had life insurance. I guess it is common for guys like me to have life insurance - but not health insurance. I got this life insurance policy before I went in the Army - you know, you never know what might happen when you are in the Service - or when you are on the farm, for that matter. I always thought that the life insurance policy would help my family if something happened to me. So, of course, I had thought about accidents, or being in a military battle or something. I had not thought about getting cancer. Who would, at 18 or 19 years old? Anyway, I still have this policy. I had never heard of a viatical settlement until the idea came up in this meeting with the benefits counselor. Since my affairs are mostly in order through many of my VA benefits, the idea of a viatical settlement might work for me. A viatical settlement would mean that I sell my life insurance policy to a viatical company. In return, I get a percentage of the face value of the policy right away.

[Narrator]

Viatical settlements have been around for a long time, but have gotten more common because they are used more and more often by people who have life-threatening illnesses - usually those who are getting close to a terminal stage. Using the viatical settlement would let Glenn use the money from his life insurance policy while he is still living.

There are limits on who is allowed to do a viatical settlement. In general, the person's life expectancy is short, and a doctor must make a statement that says the person is of sound mind. Not all life insurance policies offer this option, but the social worker, financial counselor, or estate planner can help in exploring whether a viatical settlement is a possibility and help locate a reliable viatical settlement expert. The "viator" should have a lawyer review the viatical settlement contract before agreeing to go ahead with this option. Each state's insurance commissioner or department can provide information about the particulars of viatical settlements in that state. A viatical settlement can be an important part of estate planning. The viatical option could offer a cancer survivor a way to ease financial stress, but still requires thoughtful study.

Gaps in insurance coverage are a growing problem as managed care companies expand their place in the American health-care system. Most managed care companies are for-profit businesses - they exist to make money. All managed care companies, even the ones that do the most for their patients, look for ways to hold down costs. But, the not-so-good managed care companies look for ways that are not always in the best interests of their patients. So, denials of claims—refusals to pay for certain services, treatment plans and medications—will continue to be problems even for the people who do have some sort of health-care insurance. Your social worker can help you sort this out.

[Social Worker]

As a social worker, I've seen first-hand how telling other people about problems that might come up helps everyone devise plans to deal with the problem or prevent it from becoming a problem at all. If you think insurance, or lack of insurance coverage, is going to be a problem at any time, it is important to tell your doctors, nurses, and your social worker about your concern. If you have doubts about your level of coverage, or you think the kind of the services you have access to will be affected by your insurance coverage - or lack of it - my advice is to ask questions, and ask them early. Your doctor, nurse, social worker, or financial counselor should be able to help you assess your coverage. Once you fully understand what your insurance will pay for, what it will not pay for, and how your insurance plan works, you can then begin to plan ways to fill in the gaps of your insurance coverage.