

Washington Shuts Down Bogus Long-Term Care Scheme

A former Washington state insurance agent has agreed to settle charges that he deceptively marketed in-home care services to senior citizens.

Secure Tomorrows and its owner, Michael B. Woodward, have agreed to pay \$62,500 to resolve the lawsuit and reimburse approximately 20 Washington seniors who have current contracts with the company. "Both Oregon and Washington revoked Woodward's right to sell insurance after he was found to have misled and manipulated elderly consumers into purchasing insurance policies," Attorney General Rob McKenna said. "The Attorney General's Office alleges that he then pressured seniors to purchase a program that deceptively resembled long-term care insurance." The agreement does not include a finding or admission of wrongdoing, but prohibits Woodward and Secure Tomorrows from selling or marketing estate planning documents or contracts for in-home care, visiting seniors in their homes to sell in-home services, and offering home care services to clients who previously bought insurance products from Woodward. According to the state's complaint, Woodward was based in Vancouver, Wash., from 2001 to 2004 while he marketed a product to seniors he called an "in-home services agreement." He made the sales presentations in the senior's homes and had them write checks for \$1,500 to \$3,000 per year in advance for services such as cleaning, cooking and bathing. The understanding was that someone would take care of them at home should their health deteriorate. The lawsuit alleged that limitations of the contracts were not disclosed adequately in advance and that comparisons with long-term care insurance products confused consumers into believing that the "services agreement" was insurance. Secure Tomorrows did not provide the promised services itself but paid third-party service providers an estimated \$10-\$20 per hour for the work. The state's complaint claims that Woodward used high-pressure sales tactics and made several misrepresentations, including suggesting that the "in-home services agreement" sold by Secure Tomorrows is a form of long-term care insurance or can replace long-term care insurance. Woodward previously sold insurance policies in Washington and Oregon. In 2001, the Oregon Insurance Division pulled his license, citing "a pattern of false representation, manipulation, and dishonesty." Woodward lost his Washington license the next year. The state Office of the Insurance Commissioner deemed him "untrustworthy and a source of injury and loss to the public." According to the revocation order, consumers who purchased life insurance policies from Woodward believed they were actually buying a savings plans or a home care insurance policy. Woodward also indicated on applications for insurance policies sold to Washington residents that the policies were sold in Oregon. The defendants agreed to reimburse Washington seniors who had current contracts as of March 1, 2005 and who were not provided substantial services under the contract. The Attorney General's Office will notify eligible consumers.

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