



Multiple Risk Management

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Light Your LTCI Fire

by Honey Leveen, LUTCF, CLTC

After many years of thinking the opposite, most advisers today are starting to recognize that long-term care insurance (LTCI) needs to be an essential part of their clients' portfolios. Chances are that the carrier or carriers you represent have excellent LTCI sales materials. A part of virtually all LTCI sales materials is statistical information on the odds of needing care, the typical costs of that care, etc.

However, being armed with compelling statistics alone is not enough to increase your LTCI sales production. I've given numerous talks to professional groups about the differences between LTCI and other products, the dark side of relying on Medicaid, today's new care options and settings, how to understand LTCI, and the features I usually recommend for my clients. I teach "LTCI 101" in a nutshell. But it appears that advisers still don't feel confident presenting LTCI. This is as frustrating to me as it must be to the insurance companies who spend so much time and money designing and marketing some really great LTCI products. It must also be frustrating to advisers because many have told me they want to sell LTCI, but they don't know how.

The climate for selling LTCI has never been better. My observation is that the public has never been more receptive and eager to learn about it. Thirteen years ago I had to convince clients that LTCI existed. Then I had to persuade them that Medicare didn't pay for care. Today most people understand that the government doesn't pay for care and they know that LTCI exists. Still a very small percentage of the eligible public owns LTCI, and many trade sources state that annual growth of LTCI sales remain modest at best.

Wonderful and reasonable LTCI products are available, public awareness of the need for LTCI now exists, yet advisers still have difficulty placing LTCI policies. Why? I blame some of the lack of growth of this very essential product on producers. I think a marketing "bottleneck" exists for two primary reasons. One is that producers are unaware of and unable to describe what happens to real people and their families when they need care and don't have LTCI. The second reason is that producers lack product knowledge and the self-confidence that accompanies it. To help you overcome these issues, I'd like to offer some personal tips.

I believe advisers who want to succeed at selling LTCI must become LTCI crusaders! If you are insurable, sell yourself LTCI as soon as you possibly can. As a fringe benefit, learning about LTCI is easier when you use yourself as a client. LTCI is an essential product for middle-class Americans and an attractive product for the affluent and those of limited means (often children will gladly pay premiums). A disappointingly small percentage of producers own it already, and it is essential that we lead by example.

If you are not sure which LTCI product to use or how to design your LTCI policy, I recommend working with an experienced adviser, preferably someone with an LTCI specialty. There is also wonderful software available now which can price comparable LTCI features from several carriers. It can also compare specific features of different LTCI products and seek out policies with certain desired features. My recommendation is to find a comparison system you like and subscribe to it.

Knowledge is power. If you want to include LTCI production in your practice, get your education. LUTC now offers a course in LTCI.

Some LTCI designations now available are the CLTC (Certified in Long Term Care), LTCP (Long Term Care Planner), and CSA (Certified Senior Advisor). There are two annual national LTCI conferences that are geared for producers, and they are both interesting and worthwhile.

I also recommend visiting as many assisted living facilities as you can. I believe assisted living is the biggest single innovation in the history of how care is given. It may become the preferred choice of care for many of us in the future. While there, observe how much better life must be for those who can afford to live there than if they lived in a nursing home—often the only other choice. An LTCI policy is often essentially a passport to access this wonderful new option—assisted living—which many potential clients and even advisers may be still unaware of.

My experience is that the public is hungry for knowledge about where care is being given today and what their options will be now, and more importantly, in the years to come. There is overall confusion about the kind of care Medicare pays for and whether Medicare coverage duplicates LTCI coverage (it doesn't, but learn how to explain why). You need to be adept at describing the differences between nursing homes, adult day care, personal care homes, assisted living, hospice, and independent living arrangements. Knowledge of various care options and their costs will also help you assist clients in making perhaps their hardest decision when purchasing LTCI—how large a daily benefit to select for their policy.

Most importantly, to succeed in selling LTCI, you need to get passionate about the need for LTCI. My experience speaking with so many agents who want to sell LTCI but don't know how suggests that a lack of passion is perhaps the missing link so necessary for your success in selling this wonderful product. This may be the hardest part of my advice. Learn as many stories as you can that illustrate how LTCI altered the life of a client and his family by enabling him to access care early and often proactively, as well as how LTCI minimized the physical and emotional stresses associated with disability. Also try to find the sad stories: how a lack of LTCI tore families apart, wiped out life savings, turned family

members' lives upside down, and whittled down the disabled person's independence and dignity.

A good tool to help you become both an emotional and financial advocate of LTCI is the tape or DVD of the PBS broadcast of "And Thou Shalt Honor," which aired in October, 2002. This program documents the day-to-day, often intimate experiences of loved ones and their family members who never envisioned themselves as caregivers yet now must fill this role. None of the families portrayed (people from diverse socioeconomic backgrounds) appears to have LTCI for their loved one. Although this poignant film barely mentions LTCI, it gives some of the most persuasive motivation to own it that I have ever seen. For copies of the tape or DVD, go to www.thoushalthonor.org. I am currently using the DVD to help fellow advisers and future LTCI policyholders "become emotional" about the need for LTCI. I promise that you will never forget the love and compassion, coupled with the pain and struggle, of the families in this documentary.

Another wonderful tool is Karen Shoff's book, *There's No Place Like (a Nursing) Home*. Karen's book is easy to read, beautifully and sensitively written, and full of useful information. It uses many firsthand stories to emphasize the dignity and independence that come with having the ability to access the right kind of care without making any impositions on family.

I notice that many people—both advisers and potential clients—do not know how to collect on LTCI policies and how easy that can be. Many are also unaware of the dramatic, qualitative difference LTCI coverage can make in a person's life. The knowledge of how LTCI policies work and the different options they pay for, as well as the emotions of real people who need these policies, will give you further insight into this valuable product. And seeing the relief and joy of your clients as they collect on their policies is a special reward of selling LTCI. ■

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