



Become an LTCI Crusader

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When I address a group of insurance advisers, I ask those present to raise their hands if they own health insurance. Everyone's hand goes up. Then I ask how many own disability and life insurance, and again everyone's hand goes up. In response to the same question about long-term care insurance (LTCI) policies, however, the percentage of hands usually is less than 20% — but that is changing as we speak.

The recent media attention to the rising costs of long-term care and the government's unwillingness to pay for the care most persons in the United States will need has left consumers of all ages

wondering what they can do to protect their future. As public awareness of LTCI grows, more consumers will begin investigating its place in their retirement portfolio. The producer should position himself or herself ahead of this surge now for long-term growth. The best way to do so is to become an LTCI crusader.

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As a successful LTCI consultant, it seems that I'm viewed almost as an oddity in the business; or as one adviser bluntly put it, "I don't know how you sell that stuff." The climate for selling LTCI, however, never has been better.

It's true that in the past, LTCI got mixed reviews from many advisers who counseled their clients that purchasing



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LTCI was a waste of money. But as advisers learn more about the benefits of LTCI, most now believe LTCI is indeed a necessity for many of their clients. While sales of LTCI continue to grow each year, the market for this product still largely is untapped.

Why? Because there's a marketing "bottleneck." Wonderful LTCI products now exist, yet there appears to be a problem with advisers being able to convey this information effectively to their clients. This bottleneck is frustrating to the insurance companies that spend so much time and money designing and marketing some really great LTCI products. It also is frustrating to advisers; so many have told me that they want to sell LTCI, but they don't know how.

Chances are that the producer already has excellent LTCI sales materials containing statistical information on the odds of needing care, the typical costs of that care, and so on; but I've found that isn't enough to close the sale. Here are some tactics that I've found successful in getting prospects to "turn the bend" and accept that this is a product that they truly need.

Crusade for the cause. Much like a Ford salesman who drives a Chevy, the producer trying to sell a product she doesn't own herself doesn't have as much credibility. Advisers who want to sell LTCI must become LTCI crusaders. If the producer is insurable, she should sell herself LTCI as soon as she can. Educating herself on the benefits of LTCI is easier when the producer is the client.

Get help. If the producer is not sure about which LTCI product to use or how to design her LTCI policy, she might consider joint work with an experienced adviser, preferably someone with an LTCI specialty. A new breed of software can compare LTCI features from several different carriers, either overall or feature by feature, and it also can find policies with certain desired features. The producer should find software with which she is comfortable and stick to it.

Knowledge is power. Before the producer incorporates LTCI production into her practice she should educate, educate, educate. LUTC offers a course in LTCI, and certifications include Certified in Long Term Care (CLTC), Long

Term Care Planner (LTCP), and Certified Senior Advisor (CSA). There are at least two annual national LTCI conferences geared for producers, and they both are worthwhile and fun.

Get out in the trenches. The producer should visit as many assisted living facilities as she can and spend a fair amount of time learning about different care options and prices. My experience is that the public is hungry for knowledge about where care is being given today and what their options will be. There's a general confusion about the kind of care Medicare pays for and whether Medicare coverage duplicates LTCI coverage. (It doesn't, and the producer should learn how to explain why.) The producer must be adept at describing the differences between nursing homes, adult day care, personal care homes, assisted living, hospice, and independent living arrangements.

Assisted living is the biggest single innovation in the history of how care is given; there appears to be confusion, however, about assisted living and how it differs from nursing home care and independent living. An LTCI policy often essentially is a passport to access this wonderful new option — assisted living — of which many potential clients and even advisers still may be unaware.

Additionally, knowledge of assisted living and other care options will help the producer assist clients in making perhaps the hardest decision when purchasing LTCI — how large a daily benefit to select in their policy.

Don't be afraid to pull out the tissues. To succeed in selling LTCI, the producer shouldn't be afraid to get emotional about its importance. A lack of passion may be the missing link so necessary for success in selling this wonderful product.

The producer should learn as many personal stories as she can, which will add passion to her presentations. She should find stories that illustrate how LTCI altered a client's life and family by enabling him to access care early and often pro-actively, and also minimized the physical and emotional stresses associated with disability. She also should try to find the sad stories: how lack of LTCI tore families apart, wiped out life savings, turned a fami-

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

Another tool to help the producer become both an emotional and financial advocate of LTCI is the PBS documentary "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 socio-economic backgrounds) appeared to have LTCI for their loved one.

Although it barely mentions LTCI, this poignant film gives the most persuasive motivation to own it that I ever have seen. For copies of the tape or DVD, go to www.thoushalthonor.org or telephone (310) 202-3370. You never will forget the love and compassion, coupled with the pain and struggle, of the families in this documentary.

LTCI isn't just for seniors. LTCI's reduced costs, inflation protection, higher acceptance rates, plus the additional benefit of some next generation indemnity LTCI products that behave like traditional disability insurance, make LTCI an attractive option to consumers in their 50s, 40s, and even 30s. When purchased at younger ages, LTCI often is so reasonable that a debate over choosing a limited or unlimited benefit period is not necessary. A more fully-featured LTCI policy is affordable at younger ages, so fewer sacrifices of policy benefits are necessary for premiums to remain reasonable.

Familiarizing a whole new generation with this relatively new insurance product will greatly expand the producer's target market and as a result, greatly expand her business.

Many people — both advisers and potential clients — are 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 for which they pay, as well as the emotions of real people who need these policies, will give you further insight 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.

