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LUTCF, CLTC, has been an independent long term care insurance consultant for the last 13 years.

A licensed insurance agent since 1987, Leveen stays current with the changing LTCI landscape through her involvement in professional organizations such as the Houston Association of Insurance and Financial Advisors. She was also named a member of the Texas Leaders Roundtable 1995-2003 and a Million Dollar Round Table qualifier 2001-2002. She received the Certified in Long Term Care (CLTC) designation in 2000 and the Life Underwriter Training Council Fellow (LUTCF) in 1991.

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Long Term Care Insurance: How To Increase Your Production

The climate for selling LTCI has never been better. Most advisors believe LTCI is worthwhile, and want to expand their product line to include it, but haven't yet. Why? Over the course of my 13 year career in LTCI, it's become clear to me they simply don't know how.

This is unfortunate because according to the Health Insurance Association of America, approximately seven million Americans age 65 and older will need long term care in 2003 and that number will nearly double to 12 million by 2020. There's a huge untapped market for LTCI, and taking the steps necessary to learn how to successfully sell this new product can substantially increase your earning potential.

A December 5, 2002 survey by Allianz Life concluded that 60 percent of Americans polled understood that they could not count on Medicare to pay for long term care. This indicates that public awareness of the need for LTCI is rapidly growing. When asked why they didn't buy LTCI, respondents gave the following reasons: too expensive—36 percent; don't know enough about it—21 percent; didn't know why/refused to answer—18 percent; don't need LTCI/waste of money—13 percent; have enough in savings to cover the costs—12 percent.

Much of the above information is incorrect—suggesting to me that the lower than expected sales level might be at least partially the result of a marketing “bottleneck” caused by advisors who aren't successfully getting the good news out about LTCI. For example, the argument that policies

are too expensive or they're a waste of money is just plain inaccurate. In fact, the price of today's new-generation policies has come down, and many affluent people have purchased LTCI policies even though they could pay for care with their personal funds.

I've been invited to speak at five different Association of Independent Financial Advisors meetings and am always surprised by how many members do not own their own LTCI policies. Excellent, comprehensive and reasonably priced LTCI products are here, yet there appears to be a disconnect between the insurance companies who have put considerable time, effort and money into designing and getting these great products on the market, and advisors who are presenting them improperly or not at all. This is as frustrating to me as it must be to the insurance companies' home offices. I believe it is also frustrating to advisors, because so many have told me that they want to sell LTCI, but they don't know how.

Chances are that the carrier or carriers you represent have excellent LTCI sales materials. Part of what is provided in virtually all LTCI sales literature is statistical information on the odds of needing care, the typical costs of that care, etc. So being armed with these statistics is evidently not sufficient to increase your LTCI sales production. Something is missing. Here are my tips to fill that gap.

I believe advisors who want to sell LTCI must become LTCI crusaders! First, if you're insurable, sell yourself LTCI as soon

as you can. (As a fringe benefit, learning about LTCI is easier when you use yourself as a client.)

If you are not sure about which LTCI product to use, or how to design your LTCI policy, I recommend doing joint work with an experienced advisor, preferably someone with an LTCI specialty. There is also wonderful software available now, which compares LTCI features from several carriers side by side, along with comparing specific features of different LTCI products, and seeking 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, immerse yourself in learning more about it. LUTC now offers a course in LTCI. There are many LTCI designations now, as well as national LTCI conferences geared for producers.

I also recommend visiting as many assisted living facilities as you can and spending a fair amount of time learning about different care options and prices. In my experience, the public is hungry for knowledge about where care is being given today and what their options will be. 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.

In particular, there appears to be confusion about assisted living and how it differs from nursing home care and independent living. An LTCI policy is often essentially a passport to access this wonderful new option—assisted living—of which many potential clients and even advisors may still be unaware. Knowledge of assisted living and other care options will help you assist clients in making perhaps the hardest decision when purchasing LTCI—how large a daily benefit to select in their policy.

To succeed in selling LTCI, I also recommend that you allow yourself to become emotional about LTCI and its importance. I have discovered that many agents who want to sell LTCI but don't know how, simply lack passion for the product and its benefits, which is so necessary for your success in selling this wonderful product.

This may be the hardest part of my advice, but it is the most important. Learn as many stories as you can! Find stories that illustrate how LTCI altered the lives of clients and their families by enabling them to access care early and often proactively, and minimizing the physical and emotional stresses associated with disability. Also try to find the tragedies: how lack of LTCI tore families apart, wiped out life savings,

turned family members' lives upside down, and whittled down the disabled person's dignity and independence. Know the stories well and tell them with conviction.

An excellent tool to help you become both an emotional and financial advocate of LTCI is the tape or DVD of the PBS broadcast, "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 LTCI that I have ever seen. For copies of the tape or DVD, go to www.thoushalt-honor.org or call 310-202-3370. You will never forget the love and compassion, coupled with the pain and struggle, of the families in this documentary.

Many people—both advisors 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 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. □