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LTCI SELLING GUIDE

INSIDE

LTCI Finally Making Its Mark: The 2010 Market Study

Agent Media, AALTCI partner on fifth annual undertaking to explore state of the industry

» BY HEATHER TRESE, ASSOCIATE EDITOR

Long term care insurance is finally coming of age.

At least that's what Jesse Slome, executive director of the American Association for Long-Term Care Insurance (AALTCI) believes. He said he's excited to see that LTCI has finally gained status as a mature product and has carved out a market segment — and his sentiments are echoed in the results of the 2010 LTCI Market Study.

The study, conducted by Agent Media* in partnership with the AALTCI, shows a product that is stable but growing, with new options emerging and a legislative landscape that has the potential to change the entire game.

Read on to learn more about how this market could change in the next year, what your colleagues' sales have been like for the past 12 months, and the biggest challenges facing LTCI agents today.

PAST SALES TRENDS AND FUTURE OUTLOOK

For the most part, LTCI sales seemed relatively stable over the past year. Some agents saw decreased sales, but these outliers don't appear to have slowed the industry's growth. In fact, agents appear optimistic about potential sales over the next year, with 68 percent expecting increased sales over the next 12 months. (Charts 1 and 2)

Honey Leveen, an independent agent based in Houston, TX, said she believes that part of the reason for all the optimism is the fact that, for the first time, there has been a lot of positive press about long term care insurance.

"When I started doing this in 1990, the newspaper was really bashing LTCI. Today, we have mostly positive press, and you can read how 76 percent of the GDP will be spent on Medicare and Medicaid," Leveen said. "People used to say that those programs would cover LTCI, but now they know that they won't. As the excuses start to come undone, things get better for us."

Leveen knows, however, that the battle against client excuses is never-ending. In fact, each of the top three LTCI sales challenges agents face is related to client excuses — clients believe they can't afford it (71 percent), clients procrastinate (57 percent), and clients think they don't need it (54 percent). (Chart 3)

COMBINATION PRODUCTS: THE FUTURE OF LTCI?

Combination products, or products that pair long term care benefits with annuity or life policies, have been getting a lot of buzz lately — especially thanks to recent legislation that provides tax breaks to those who purchase them. But are they worth the hype?

Leveen said she believes that combination products are best left to those who dabble in long term care insurance, and prefers to stick with traditional LTCI products.

"I think it's easier for [non-specialists] to wrap their arms around the architecture of the policies," she said. "It's more familiar to them. Plus, it's easier to sell. A lot of financial advisors have wealthy clients who say they can afford to self-insure in the case of a long term care event. But, just in case something happens, here's this combo product. And look! It's a life policy too!"

Slome has a slightly different take on combination products: While he agrees that they're a hot new product, he doesn't believe that combination products will ever replace traditional long term care policies because of the single-premium nature of linked benefit products. He believes this structure is too cost-prohibitive and has the potential to force too many people out of the equation.

"The toughest question to ask when you're selling these policies is, 'Are you prepared to write a $75,000 check today?' Most clients can't say yes to that," he said.

CLASS

As one of the health care reform provisions, the CLASS Act aims to provide long term care coverage for every American who wants it.

"The CLASS Act is a game-changer for long term care insurance," Slome said.

Yet 34 percent of producers claim they're not even familiar with the law — and Slome thinks that's a problem. (Chart 6)

"Agents who are not aware of the program as the details are announced are going to find themselves at a significant disadvantage compared to those who are aware, because their clients are going to be aware," he said. "I heard the Department of Health and Human Services initially gave $15 million for awareness — and the AARP and other organizations that were behind the CLASS Act, you can bet they'll be behind getting information out there."

Even among the agents who have heard of the act, opinions vary as to how it will affect their business. One

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CHART 1

LTCI sales activity over the past 12 months

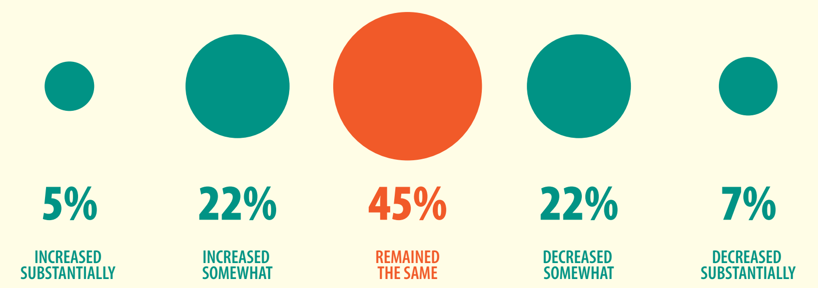


CHART 2

Anticipated LTCI sales activity over the next 12 months

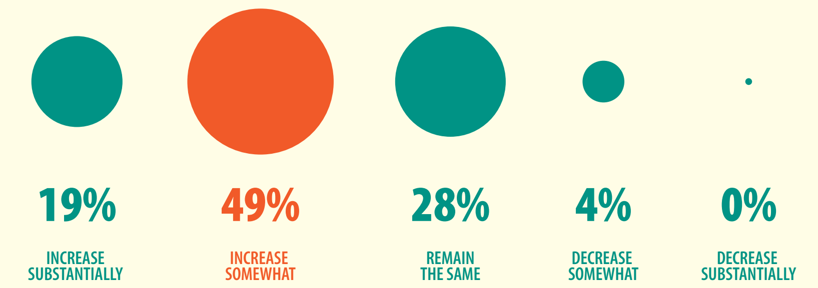


CHART 4

Combination products sold in the past 12 months

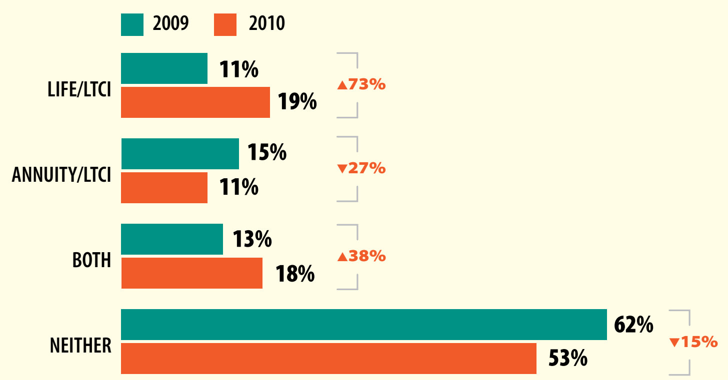


CHART 5

Expect to sell a combination product in the next 12 months

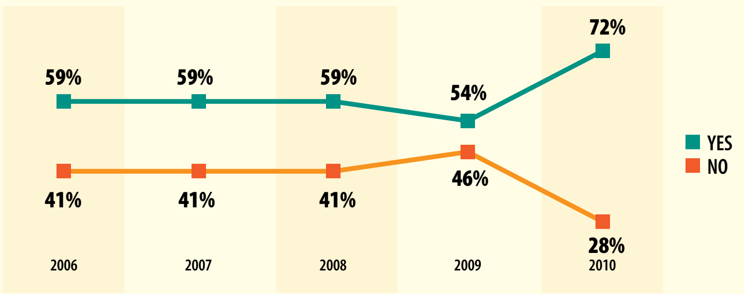
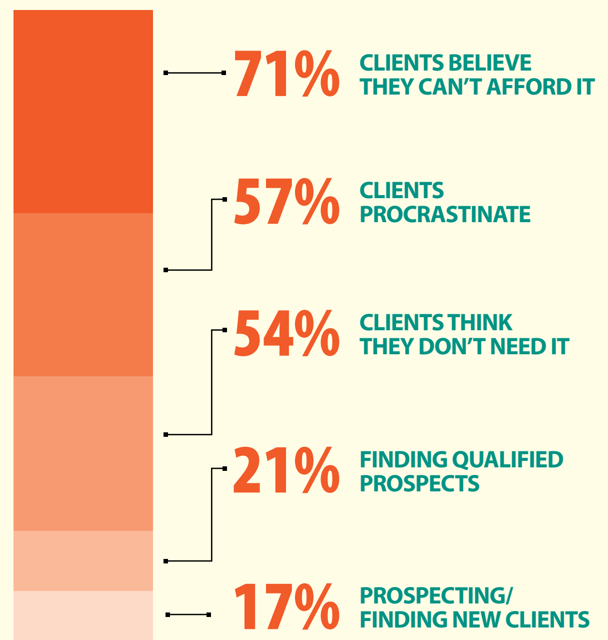


CHART 3

TOP 5 CHALLENGES AGENTS FACE SELLING LTCI

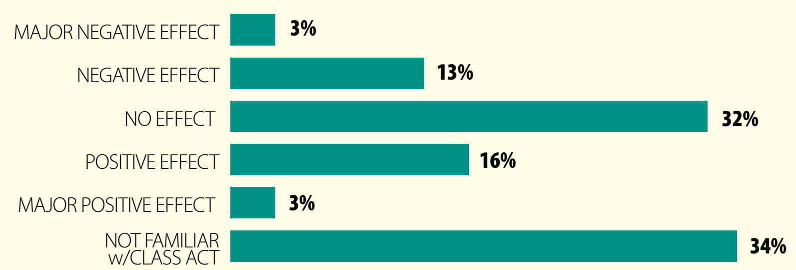


OTHER CHALLENGES:

- Clients don't understand the products 15%
- Rate increases 14%
- Underwriting process is too difficult 13%
- Sales process is too lengthy 8%
- I would benefit from more product training 5%
- Clients and prospects are hesitant to buy because of the CLASS Act 4%
- My carriers are pulling out of the market 3%
- Products don't meet clients' needs 2%
- Bad claims/service experience from carriers 1%
- Compliance issues 1%
- Clients are more willing to purchase LTCI online than through me 1%
- Other 2%

CHART 6

Anticipated effect of the CLASS Act on agents' business



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» **TRESE**, from page3

agent who's been selling LTCI for more than 10 years seemed especially optimistic.

"I am hoping it will have a positive impact — especially with my employer clients," he said.

Others seemed hesitant. Stacia Vetter, an independent agent from Nashville, TN, said, "It will make people more aware of the need to plan for long term care. However, I am concerned that people who sign up for the CLASS Act will believe they have comprehensive coverage when the benefit is only $50 per day."

But producers shouldn't miss the opportunity to use the CLASS Act to open the door to other LTCI discussions.

"Business owners will have to open [LTCI] up for discussion — LTC 'comes out of the closet,' so to speak!" said one agent who has sold more than 20 LTCI policies in the past year.

Ultimately, however, the consensus is that the CLASS Act is no substitute for a good, private LTCI policy.

"The CLASS Act is pitiful," Leveen said. "It will give a person in a wheelchair who works full time at least *some* long term care. And those [types of people] are the only people who are going to elect it."

SUCCESS THROUGH SPECIALIZATION

Leveen believes that long term care insurance sales are shifting, and that more and more producers are turning to specialization as opposed to casually selling the product.

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CHART 8

Professionals partnered with over the past 12 months for prospect referrals

(LTCI NON-SPECIALISTS VERSUS SPECIALISTS)

	NON-SPECIALIZED	SPECIALIZED
Accountants	**28%**	**53%**
Insurance agents who don't sell LTCI	**23%**	**71%**
Elder law attorneys	**17%**	**29%**
Financial planners	**16%**	**53%**
Property and casualty agents	**14%**	**24%**
Employee benefits specialists	**9%**	**29%**
Investment advisors	**7%**	**29%**
None	**41%**	**12%**
Other	**1%**	**0%**

CHART 7

PROFESSIONAL INDUSTRY ORGANIZATION MEMBERSHIP

(LTCI NON-SPECIALISTS VERSUS SPECIALISTS)

	NON-SPECIALIZED	SPECIALIZED
The American Association of Long-Term Care Insurance (AALTCI)	**4%**	**35%**
National Association of Health Underwriters (NAHU)	**6%**	**12%**
National Association of Insurance and Financial Advisors (NAIFA)	**30%**	**18%**
None	**51%**	**29%**
Other	**9%**	**6%**

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"Long term care seems to be emerging as a specialty in its own right, which is good because ordinary advisors — advisors that generally manage people's money and work with life/health/disability — need to realize it's a specialty area with specific knowledge that they need to know," she said.

So how do LTCI specialists, who earn the majority of their commission from LTCI sales, differ from ordinary advisors?

1 **They belong to professional organizations.** While only 4 percent of regular advisors belong to the AALTCI, 35 percent of specialized agents belong. Membership in other professional organizations is higher, as well. In fact, while 51 percent of non-specialized agents claim not to belong to any industry organizations, only 29 percent of LTCI agents can make the same claim. (Chart 7)

2 **They own LTCI.** Among agents who don't specialize, only 55 percent have coverage themselves. However, among LTCI specialists, 94 percent own the product.

3 **Different client objections.** While non-specialized agents say their clients' main objection is that they can't afford the product, the specialist finds themselves faced more often with clients who believe they don't need LTCI.

4 **They partner.** Seemingly the biggest difference between LTCI specialists and non-specialists is in their partnering habits: Agents who specialize in LTCI partner with a range of referral sources — accountants (53 percent), financial planners (53 percent), employee benefits specialists (29 percent), and agents who don't sell LTCI (71 percent). Only 12 percent of specialists say they don't partner with anyone to generate referrals, compared with 41 percent of regular agents. (Chart 8)

Understanding the habits of LTCI agents can help you, even if you don't intend to specialize in LTCI. By studying what makes them successful, you can learn how to make the most of the few long term care insurance policies you do sell every year. And should you decide that you want to take the plunge and become an LTCI specialist, now you know what your competitors are up to. «

Heather Trese is the associate editor of the Agent's Sales Journal. She can be reached at HTrese@AgentMedia.com or 800-933-9449 ext. 225.

» METHODOLOGY

In May 2010, Agent Media, in partnership with the American Association for Long-Term Care Insurance, conducted a nationwide survey of licensed insurance agents via an email blast with a link to an online survey. The agents who were issued the survey came from Agent Media's national database of licensed life and health producers. As an incentive, a random drawing was held for a Garmin GPS. More than 400 professionals responded to the survey. The results reflect responses by personal producing agents who have sold at least one LTCI policy in the past 12 months.

THE 2010 LTCI CARRIER REPORT CARD

As a companion to the fifth annual LTCI Market Study, conducted in partnership with the American Association for Long-Term Care Insurance (AALTCI), Agent Media* surveyed more than 275 agents nationwide on which carriers best meet their needs in a variety of categories. What companies are best at keeping premiums stable? Which give you the best marketing support? And which carriers offer the least-complicated LTCI products?

We derived the list of represented companies from a ranking of the top-producing LTCI carriers in the nation that also have an independent distribution channel; the report card shows the top five companies in each category.

Except where indicated, respondents could rank only those companies with which they were appointed. Results reflect responses from producers who identified themselves as independent agents and who have sold at least one LTCI policy in the past 12 months.

» COMPANIES REPRESENTED

- ASSURITY
- GENWORTH
- GOLDENRULE
- JOHN HANCOCK
- LIFESECURE
- MEDAMERICA
- METLIFE
- MUTUAL OF OMAHA
- ONEAMERICA
- PRUDENTIAL LTC
- TRANSAMERICA

*Agent Media is the publisher of the Agent's Sales Journal

Companies with which agents write the most business

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. Prudential LTC

Companies whose LTCI products are easiest to understand and explain

1. Genworth
2. John Hancock
3. Mutual of Omaha
4. **Tie**: MedAmerica, MetLife

Best at promoting LTCI product offerings through marketing and advertising

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. TransAmerica

Most reasonably priced LTC products

1. Genworth
2. John Hancock
3. Mutual of Omaha
4. Prudential LTC
5. MetLife

Provide the best leads and prospecting assistance for agents' LTCI business

1. **Tie:** Genworth, John Hancock
2. Mutual of Omaha
3. MetLife
4. **Tie**: GoldenRule, Prudential LTC, TransAmerica

Provide the most effective marketing and point-of-sale material for LTCI presentations

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. Prudential LTC

Best at maintaining stable premiums for LTCI policyholders

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. **Tie:** MetLife, Prudential LTC

Best at providing LTCI product and sales training opportunity

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. Prudential LTC

Best LTCI product features and benefits for the client's needs

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. Prudential LTC

Companies whose underwriting department agents prefer to deal with

1. John Hancock
2. Genworth
3. Mutual of Omaha
4. MetLife
5. **Tie**: Prudential LTC, TransAmerica

BEST OVERALL

BEST AT MEETING OVERALL NEEDS IN LTC MARKET

1. **TIE: GENWORTH, JOHN HANCOCK**
2. **MUTUAL OF OMAHA**
3. **METLIFE**
4. **PRUDENTIAL LTC**

How to Tackle Your No. 1 Challenge: Prospects Who Believe They Cannot Afford LTCI

3 practical methods for reducing premiums without cannibalizing benefits

» BY STEPHEN D. FORMAN

The most common objection to LTCI sales has been around as far back as the 1970s — "I can't afford it."

Although you are probably tempted to use a "Sales 101" approach, most agents would rather accommodate clients by gutting benefits than by using a different tactic. Here, then, are three practical methods for reducing premiums while still providing meaningful LTC benefits.

1 SHORTER BENEFIT PERIODS

Recently, the American Association for Long-Term Care Insurance (AALTCI), in conjunction with Milliman Inc., conducted a study of LTCI policyholders and their actual benefit usage. Among other findings, the study found that a three-year benefit period could knock as much as 54 percent off the cost of a lifetime benefit period; about 13.1 percent of claims exceed three years. If three years seems a poor substitute for the peace of mind of a lifetime benefit, consider that even a five-year plan could save as much as 39 percent compared with a lifetime benefit, while only 4.5 percent of claims exceed five years.

2 RECONSIDER 5 PERCENT COMPOUND INFLATION PROTECTION

Although there is no actual financial basis for the "5 percent compound" recommendation, it has persisted in LTCI sales. Yet doing this can double the price of a policy, and obligating policyholders to this fixed rate of return during a low-interest rate environment put an extreme strain on many LTCI carriers during the last decade.

Today, it appears that housing and labor will be the driving forces of future home care and assisted living costs, and insurers have responded with designs based on the Consumer Price Index, which, by their structure, mean that applicants would never overpay or underpay for inflation.

One needn't stop there: Many see 3 percent compound inflation as increasingly attractive in light of stagnant long term care inflation, 3 percent compound costs roughly 23 percent less than 5 percent compound, and it meets the under-61 partnership requirements in most states (30 of 33 as of this writing). With one eye on partnership and another on the cash register, another carrier offers a tiered inflation option, which steps down through the partnership age bands as the policyholder ages.

Others have revisited the guaranteed purchase and future purchase options by eliminating the flaws associated with past designs and allowing for multiple opt-outs and conversion privileges. Such designs target the "sandwich generation" client in an attempt to lock in insurability and leave buy-ups for a time when money isn't tight.

3 REMIND BUDGET-MINDED CLIENTS THEY HAVE OPTIONS

Cost of care surveys seem to be everywhere, but it's rare that an agent truly digests the information. If you researched care in Florida, the rate for a semi-private nursing home room emerges at roughly $75,000 per year. Assisted living runs only $30,600 per year, and a robust eight-hour-per-day, five-day-per-week home health care plan tops out at $42,000 per year.

Given such information, it's a tragedy that so many producers are trapped by old habits and continue to try to make the same sale, the same way: "If you ever needed care, you'd like to receive it in your own home, not in a nursing home, right? So I'll design a plan with the most robust home health care benefits!"

This sounds convincing, and in a perfect world, few could argue with it. However, in a world where everyone is stymied by the high cost of LTCI, agents must not feel compelled to insure assisted living and home health care at the same rate as nursing facility care.

Costs have maintained the 50 percent ratio for decades. For clients for whom affordability is truly an issue, LTCI should insure against the catastrophic costs of nursing home care, with assisted living and home health care right-sized around 50 to 75 percent.

Less expensive co-insurance products can also serve the same function as reducing the home health care or assisted living rate. In either event, the savvy producer might recommend their clients use the savings to purchase a cash rider in order to defray the miscellaneous expenses likely to occur during a home health care claim.

DOES THIS WORK?

You may be wondering whether these ideas actually reduce premiums while offering meaningful benefits. Below are two examples that compare what might be termed "the old way" and "the new way." Example A is based on a 59-year-old single applicant in Florida with a $200-per-day benefit, while example B is a 59-year-old married applicant with a $6,000-per-month benefit.

Now you and your clients can make an informed decision. «

Stephen D. Forman is senior vice president of the field marketing organization LTCA. He can be reached at 800-742-9444 ext. 12 or steve@ltc-associates.com.

EXAMPLE A

	HOME HEALTH CARE	ELIMINATION PERIOD	BENEFIT PERIOD	COMPOUND INFLATION OPTION	ANNUAL COST	COST SAVINGS
Carrier A (THE OLD WAY)	100%	90 days	Unlimited	5%	$5,189	
Carrier B (THE NEW WAY)	50%	30 days	Three years	3%	$2,131	59%

EXAMPLE B

	HOME HEALTH CARE	ASSISTED LIVING	ELIMINATION PERIOD	BENEFIT PERIOD	COMPOUND INFLATION OPTION	ANNUAL COST	COST SAVINGS
Carrier A (THE OLD WAY)	100%	100%	90 days	Unlimited	5%	$6,040	
Carrier B (THE NEW WAY)	50%	75%	30 days	Three years	3%	$2,045	66%

How to Deal with a Client Who Is Procrastinating on the LTCI Purchase

Putting off until tomorrow what they can do today could cost them money and coverage

» BY RONALD STOLLER

Whether you are a long term care insurance specialist or an occasional producer, anyone who attempts to help a prospect with long term care planning will, at one point or another, run into somebody who'd prefer to delay the decision.

They hesitate because it's easier to remain indecisive than face the reality of their lack of planning. Most people don't care to think about long term care issues, and their natural reaction is usually, "It won't happen to me."

A procrastinator does not want to imagine that they could someday have a physical or cognitive impairment that would require daily help from other people. It's overwhelming for them to understand, plan, and figure out how to finance the cost of long term care. They deal with this anxiety by delaying their planning — if they ever get to it at all.

We know that time is not on anybody's side when it comes to long term care planning. The cost of LTCI is lower, and the ability to qualify for coverage more likely, when the applicant is younger and in good health.

You'll have to begin dealing with procrastination as soon as you meet with the prospect. It is there that you need to create the need and urgency. You don't do this by using scare tactics: You do this by asking questions and having your prospect paint their own picture.

EXPLORE THE LACK OF PLANNING

First ask the question, "What is your current plan?" If the need for long term care happens tomorrow, how would they handle it? Where would the money come from? Who would help make arrangements, or help with care giving? How would that person's life be affected? Which account would be spent down first? How would that affect the financial lifestyle of the spouse?

Do they think their current health insurance or Medicare would pay for these costs?

You must help your clients and prospects understand that they are self-insured for this risk. Make sure they understand that any insurance is designed to take care of the "what if." What if their house burns down, their car is totaled, or they are hospitalized? There is a type of insurance to deal with each of these tragedies, and it's more than likely that consumers are more open to those types of coverage than they are to LTCI.

So ask your LTCI prospects, "Why do you have homeowner's, car, or health insurance? Why did you decide to transfer the risk in all those areas?"

When it comes to long term care, three out of four Americans are uninsured or underinsured. Health care is not enough, and they risk placing a financial, emotional, and physical burden on their family.

So keep asking questions and listen to the answers — then ask follow-up questions.

FOLLOW UP WITH MORE QUESTIONS

What if an accident, illness, or simple aging led to a physical or cognitive impairment? How would the shock affect your prospect's lifestyle and independence? How would this affect the rest of their family?

Thankfully, you're right there to help — the licensed LTCI agent. Yet you can only help them when they are healthy enough to qualify for coverage.

PROBE THEIR CHANCE OF ACCEPTANCE

Now that they understand the basic need for this coverage, ask detailed health questions, family history questions, and financial questions. You need to know if they health-qualify, and if this product is appropriate for them. In other words, do they have enough assets to protect? By asking detailed questions about their health and family history, you can move the prospect to understand the things that can happen to any of us, at any time. Prospects have to grasp that, as medical science continues to advance, we will live longer. The things that used to kill us no longer do — but they may debilitate us.

FIND OUT THEIR CONCERNS

Next, ask your prospect if they are more concerned about protecting their assets or not being a burden to their family — or a little bit of both? Then ask why that is, along with any other follow-up questions. They have to articulate their needs and concerns out loud; you want them to bring their concerns to the light of day.

Since long term care planning is part of a sound financial plan, ask the prospect how they want to finance the cost of long term care. What is their plan? If they need long term care tomorrow, who will take care of them, and how will they pay for it?

GO FOR THE SALE

Notice that at this point, you have not mentioned insurance as an option for dealing with long term care. When appropriate, you can introduce the concept of co-insuring the risk. The more risk you transfer, the higher the premium; help them design a plan that provides the coverage they want, but works within their budget.

The longer they wait, the more expensive it will be — assuming they health-qualify. Show the prospect what happens if they decide to wait and bring you back in 10 years. If their health is the same as it is today (it won't be) and the insurance company's rate cards are the same (they won't be), you can show them that it's not advantageous to them to wait.

None of this matters, however, if you have not taken time to build the need and urgency by asking the appropriate questions, listening to their answers, and asking more follow-up questions. If we do our due diligence, then we help the client make a well-informed decision without procrastinating. «

Ronald Stoller is a long term care solutions specialist with ACSIA Long-Term Care/LTC Global.

How to Convert the LTCI Non-Buyer to an LTCI Client

If they believe they don't need long term care insurance, they may want to think again

» BY BRIAN GORDON

As agents, we know that most people with whom we meet need long term care insurance. Assuming they qualify in the health and financial departments, why do the majority of people not purchase the coverage — and how can we change that?

Many highly qualified prospects believe they don't need long term care protection. They think this because they have not seriously considered the cost of long term care itself, not just in today's dollars, but in future dollars. They also believe they can self-insure, and haven't considered the significant intangible benefits realized with LTCI. In other words, they're a non-buyer.

A CLASSIC NON-BUYER

One of the best examples I can give of a non-buyer who became a buyer was the dad of a close friend of mine. My friend's dad had more than $10 million dollars, and when his elderly mother ended up in a nursing home for six or seven years, it created a rift with his younger brother. During that process, they were spending down assets to the tune of about $75,000 per year.

The dad's brother was upset; he wanted their elderly mom to be cared for at home in order to save money since he was expecting an inheritance and never saved for his own future. To this day, the two brothers don't talk.

My friend's dad has two kids. He called me as a result of his experience with his mom and said that he wants to leave a good legacy for his children to remember him by — not leave them with the burden of deciding how to pay for long term care. Six years after he decided not to buy LTCI, he said that now believes no one would want to spend their own money for long term care when you can push the risk to the insurance carrier like they do for homeowner's, auto, and life insurance.

He once thought he didn't need an LTCI policy, but to minimize potential future family arguments, he chose to buy one for himself and his wife so their children could focus on finding them the best care possible and not worry about the cost.

THE RIGHT QUESTIONS

I find that some key questions can help uncover needs and desires your clients may not have considered. A great way to start is with something like, "Let's take just a couple of minutes and examine whether the strategy of self-insurance is really what you want and in the best interest of you and your family." You might also try the following.

- **"If a family member needed care that cost $90,000 a year, exactly where would the money come from to pay the bill?"** High-end long term care in my area costs $120,000 per year, per person. Take a moment with your client to discuss exactly where the money would come from if they, their spouse, or another dependent family member were to require this kind of care. It's better to take a look now, before we're in a crisis. Some advisors will recommend taking a portion of a portfolio and moving it to safe money/rainy day funds so that account will only address the potential need for long term care. We don't want the dollars spinning off to the day-to-day income since it may be drawn down for long term care.

- **"Have you ever considered that, when you may need expensive care, paying that bill might be the cause of some conflict in the family?"** We all hate to think of it, but in most families, there are people who want to preserve assets and cash. Having a policy allows them to use the insurance company's money for that care, which the client bought for pennies on the dollar.

- **"Are you interested in tax-deductible solutions that may allow you to maximize all the legal benefits to which you're entitled?"** Depending on the type of business entity, premiums can often be tax-deductible, and benefits received tax-free.

- **"Do you have life insurance? What was the reason you purchased that insurance?"** Like insurance bought to fund a buy-sell agreement or pay for estate taxes, LTCI can provide a guaranteed amount of money to pay for care. That allows your client to take other risks with their money knowing this key risk has been dealt with.

- **"Are you concerned about the effects of inflation?"** LTCI allows your client to purchase a guaranteed 5 percent compound inflation benefit. Compare that with other assets in their portfolio that might otherwise be used to pay for long term care.

- **"LTCI protection is very affordable; long term care is very expensive."** For example, if your client has $2 million in assets, a typical $5,000 annual premium for a couple represents only .025 percent of those assets.

At some point — and more likely at several points — you will encounter somebody who doesn't believe they need long term care insurance. Do you know how you'll convert that non-buyer to an LTCI policyholder? «

Brian Gordon is president of MAGA Ltd., a brokerage agency that focuses exclusively on long term care insurance. He can be reached at 847-940-8866 ext. 111 or brian@magaltc.com.

Prospecting for LTCI Clients? Stay Top-of-Mind, All the Time

Marketing tactics can keep you from slipping off the radar

» BY MARILEE DRISCOLL

Fifteen years ago, I worked with an interior decorator who did a fabulous job. He was competent, creative, and spent the client's money thoughtfully, as if it were his own. Afterwards, he earned such high-profile opportunities as flower shows and show houses.

I hadn't thought of him in years, until last night, when a friend mentioned that he needed help making the inside of his house look as good as the outside, which was recently re-shingled. Try as I might, I couldn't remember the name of the decorator for the life of me. It had been 15 years, and he was long gone from the Outlook email search. I didn't even know where to begin looking. Luckily, the cloud lifted this morning: I remembered the designer's name, and found him relatively easily using a Google search.

I thought this story illustrated one of the basic principles of great marketing: Great marketers always keep their name and the nature of their business in front of prospects and referral sources. If this designer kept in touch with all his past clients, even just once or twice a year — perhaps with a holiday card or an occasional electronic or print newsletter — how much easier would he have been to find? I wonder how many extra jobs he would have in a year just from making himself easier to find? Just one or two would much more than pay for any of the marketing costs, even if he outsourced all the labor.

What I have learned in working with some of the most successful insurance marketers across the country is that any marketing works, as long as it reaches prospects and referral sources and the agent actually works.

Many of us can't find the marketing golden ticket in our pocket because the sounds of the carnival distract us while we're looking. In other words, the business of day-to-day work often distracts us so that we can't identify, let alone get involved with, the best opportunities right underneath our noses. Not to mention those agents who are distracted by effective marketing campaigns by really great marketers who market to agents, promising quick and cheap piles of leads.

So, here are a few of the best LTCI marketing ideas, designed to help you find new, qualified LTCI clients. You'll increase your results if you incorporate at least three of these ideas into your business.

- **Make your website domain address easy to remember,** short, and impossible to misspell; for example, www.idaholongtermcare.com. There's no excuse for not having a website. You can even use a page on Facebook to build your web presence by tomorrow.

- **Have a memorable, even humorous, business card.** Many agents are using a parody of the Monopoly "chance" card: The Mr. Moneybags character has been modified, and the card reads: "Don't Take a Chance; STAY OUT OF NURSING HOME (must be accompanied by long term care insurance)." Years ago, I laughed myself silly when a lawyer showed me the business card his dad, also a lawyer, used. The card was half the size of a normal business card. On it was printed his name, phone, and the statement "The size of my card is necessitated by the fact you're not a client."

- **Start writing a blog.** Link to the posts in a monthly print or email newsletter. To whom does the newsletter go? All clients and current and desired referral sources, as well as anyone you meet from now on. Say, "I write a short monthly newsletter on the topic of long term care planning and long term care insurance. May I have your card and email address so that I can send it to you? It's easy to unsubscribe any month."

- **Mix up your marketing touches.** Use e-newsletters and, occasionally, snail mail. Send copies of a recently popular business book to potentially lucrative referral sources or larger prospects such as business owners, using a flat-rate post office cardboard envelope. Send a greeting card on a non-December holiday (it will probably be the only one they receive). Multiple types of touches increase the likelihood that your prospect will notice at least one.

- **Buy a vanity license plate that says you sell LTCI.** But remember, most consumers aren't familiar with the acronym, so you may want to also have bumper stickers printed up with what you do. Or, try magnetic signs for your car doors.

And if you need a great Massachusetts-based interior decorator, contact me — while I still remember. «

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Translating LTCI Offerings for Your Clients

If they don't know what's available, how can they make the best decision for themselves?

» BY MARIA MARCOVECCHIO

The long term care insurance sale has never been an easy one. With the use of technology and the Internet, today's clients are much savvier than they once were, and it's become quite easy for a prospect to determine which long term care benefits are available from the comfort of their own home. However, it may not be as simple as it seems to locate the best benefit.

When I first meet many of my clients, they have a general understanding of long term care. They've read about it, seen it on the news, or have had an experience with a family member who needed some form of long term care services.

Two of the biggest questions that clients pose are, "What type of benefits make sense for me," and "How does long term care insurance work when I need my policy?"

In other words, while they may generally understand long term care and LTCI, consumers are largely unaware of the different types of policies that are on the market today and how they can affect the client, especially at claim time.

In the sales presentation, it's important to focus on the client's thoughts and understanding of long term care. You can do this by asking such questions as:

- "How you would expect this policy to work for you if and when you needed long term care?"
- "What would be an ideal situation for you and your family?"
- "Would you like to have a policy that pays you to help with other bills you may have, such as prescriptions — or even hire a family member to care for you?"
- "Would you rather deal directly with an agency handling all of your care needs?"
- "What seems more suitable for you?"

Some clients prefer the control and flexibility of receiving the benefits paid directly to them, while others prefer to make the decision once and have the rest taken care of. Personal preference and lifestyle are major factors in choosing the right LTCI policy.

So how can you help your clients navigate the myriad options available to them? Educate the client on the types of policies out there and how they work at claim time.

REIMBURSEMENT POLICIES

With a reimbursement plan, the insurance company pays the agency directly, after the client submits bills, and works closely with their care coordinator. As long as the client stays within their daily or monthly limit, the bill will be paid. This type of policy works well if you are dealing with a single person who wants long term care insurance but may not have family members to help them support their care. This type of client may be looking to minimize their premium cost.

CASH AND REIMBURSEMENT POLICIES

A cash and reimbursement plan offers the client the choice of receiving cash or reimbursement at the time of claim. This plan still offers the client some control over the cash they receive from their plan, and the money can be used for other expenses, as well as for the use of a family member or company care provider.

CASH POLICIES

A cash plan offers the client the most flexibility in plan design. At claim time, the monthly check is made payable to the client directly for complete control of the policy. In this scenario, if the client wanted to hire their daughter, who also happens to be a nurse, or another family member, to care for them, it is completely possible. Much like a disability type policy, this type of plan is a great way to supplement the client's income when they are no longer able to work due to their prolonged illness and need for long-term care services.

COMBINATION PRODUCTS

Lastly, there is the single premium life insurance policy or annuity with long term care — the combination product, or linked benefit plan. These policies can be advantageous to clients who have money to invest but may not currently want or need long term care. Often, their concern with a more traditional policy is that they will pay premiums and never use the benefit. This type of policy offers tax-deferred growth on the combo product, or it can work like a death benefit with a true long term care policy tied to both. This creates two separate solutions to very different, yet real, needs.

Knowing your client's concerns ahead of time is key. You would be surprised at how often a "combo product" or cash policy is more favorable to a client when they understand how they will access the benefit. Have the client complete a health questionnaire and income profile sheet. This will determine the amount of assets they need to protect and which plan is suitable for them. «

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