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Greatest Hits

Although it may be too soon to release a greatest hits album for this column, it may be an excellent time for reflection and analysis of my evolving perceptions concerning the sale of long term care insurance.

In preparation for a speech at the National Long Term Care Insurance Producers Summit, I compiled a list of the top 10 most powerful messages in long term care. A number of these "messages" have been an integral part of this column. Therefore, to the extent that I may repeat myself, I apologize in advance. However, some of these ideas cannot be repeated often enough.

10. Find the "story" and you will find the sale. The true nature of the sale is emerging from experience and ongoing research. Both LIMRA's "U.S. Buyers and Nonbuyers of Long Term Care Insurance" survey and "The Producers Perspective on Long Term Care Insurance" survey published by this magazine (April 2004) have clearly revealed that the primary motivation to own is the *cost of care* and the *burden of care.* In some way, directly or indirectly, most prospects are aware of the pain and sacrifice inherent in a protracted long term care event. If you find the connection by finding their story, you will find the sale.

9. The best is yet to come. The pot is on the boil—our most explosive growth in sales is still before us. The circle of life and the march of time continue to propel the LTC market. The first boomers can take early retirement in 2008. We can expect increasing government support, both federal and state. Group sales will continue to expand and provide us with the market penetration we require to claim success.

8. Be a good listener. You must educate consumers about the need as well as the urgency of that need. Merely explaining the math does not sell insurance. Be a good listener by asking probing and insightful questions and finding the personal and emotional connection in the answers. Neither iron-clad logic nor fear of inflation will guarantee a purchase.

7. Read my lips—it is about caregiving. Caregiving may be the most common experience we share as Americans. I like the quote from Rosalynn Carter, "There are only four kinds of people in this world: those who have been caregivers, those who currently are caregivers, those who will be caregivers, and those who will need caregivers."

According to the "2004 National Caregiver Survey," conducted by the National Alliance for Caregiving, "There are currently 34 million Americans providing care to older family members…one in four American households is involved in caregiving."

Yes, one might say that long term care insurance is retirement insurance because it protects hard earned assets and retirement income. However, what it is does not matter. What does matter is that it provides personal dignity and freedom of choice in determining the circumstances of care.

6. LTC is really all about the women. I read somewhere that more than 80 percent of the checks in America—both personal and corporate—are signed by women. Veteran long term care insurance specialists know that if the wife is not present, you will not make the sale. Women know that in most cases the burden of care will be theirs. In addition, women have a greater fear of dependence and are more concerned about leaving a legacy.

5. Small group marketing creates a perpetual sales machine. It should come as no surprise that those companies with double-digit sales are, for the most part, the same companies that have double-digit advanced premium sales. Executive carve-out sales have kept our industry alive and prospering. What the industry has learned is that such a sale is really four sales: (1) executives and senior management; (2) employer-sponsored "core" benefit; (3) voluntary buy-ups for employees and spouses; and (4) corollary sales to parents, in-laws and grandparents. When you multiply a preferred prospect list, fueled by tax privileges, caregiver self-interest and affinity discounts, you are increasing your customer and referral list by three or four times the number of employees. For the agent willing to "stay the course" and pursue these opportunities over time, there is an exponential opportunity for current and future sales.

4. Coinsurance is better than no insurance. All long term care insurance sales are truly coinsurance sales. The potential financial risk is simply too large, particularly when you factor in caregiving expenses. You are simply assisting your client in erecting a defensive wall in preparation for a sure and certain enemy. While your defenses may not cover every expense, all sales are good sales, regardless of size or benefit provided. However, your job is to make sure the enemy pays dearly for his attack on your clients' lifestyles—at least during the initial assault.

3. Amazing persistency equals amazing referrals. The persistency of long term care insurance is stronger than any other accident and health product in recent memory. Once clients have written that first check, they cannot be deterred from ownership, even in the face of rate increase. They feel good about their long term care insurance ownership and believe they have made a wise and sound financial decision. They understand the need and recognize that insurance leverages risk. I cannot imagine a more fertile environment for referrals.

2. The sale is inevitable. Those of us involved in the day-to-day battle of shifting the greatest financial risk of an aging America from the public to the private sector recognize the inevitable nature of this sale. We know the only question is who will pay: the consumer, the government or an insurance policy. Everyone gets older, and the cost of care rises dramatically over time. Medicare pays an increasingly small amount, and Medicaid pays for what most don't want—custodial care. Once clients understand the magnitude of the potential risk, the overwhelming probability of the need, and the reality that other financing alternatives are not the most desirable, then they will understand that the only comprehensive solution to the need is to own a quality long term care insurance policy.

1. If at first you don't succeed, try, try again! The recurrent theme of these columns has been a reflection of my own emotional connection to the importance of making this sale. The sale of insurance has always required an emotional component. This is particularly true about what has become our most difficult sale—privately-owned long term care insurance. When the client is ready, he will buy based on his needs, not yours. Stay with those who are not yet ready—many will be eventually. Begin your approach early and make it often.

My most heartfelt holiday wish to all for the continued and growing success of our army of long term care insurance advocates. Keep up the good work!