

# Round Up All The Usual Suspects



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If consensus of opinion can truly solve problems, it is time to focus on the condensation of years of consumer analysis, extensive sales experience and the hard-earned lessons of claims, underwriting and marketing.

We have all heard the voices trying to identify and analyze "the problem." Is it a problem of product complexity? Is it a problem of affordability? Is it a problem of benefit transparency? Is it a problem of consumer ignorance? Is it ultimately a political problem or a socioeconomic issue?

Perhaps for some, particularly those agents, general agents and companies retreating from the front lines of the battle, it is simply a problem that defies logic. Maybe it is just that perceived irrational problems do not provide the luxury of discernible solutions.

*Why do we continue to round up the usual suspects to rationalize our continuing lack of sales improvements?*

*Could the answers be staring us in the face?*

*Could it be that many of us, the weary veterans of a prolonged struggle, are simply no longer capable of seeing the forest for the trees?*

Let's begin with what should be the most obvious to all concerned: No one is currently waiting in the wings to come to your rescue. Not the government, not the reinsurers and certainly not the great and vast majority of insurance companies. Unfortunately, there are far too many companies that believe they are in the business of managing money, not taking risk. God

bles those companies that have taken up their responsibility and continue to try to do the right thing for their policyholders. Shame on those that continue to sit on the sidelines and offer commentary on the efficacy of the campaign.

Understand there will be a lot of demagoguery and self-serving political dialogue about a national long term care insurance program for all Americans. Recognize it as a transitory wind without substance or purpose. There is no escape; those who can afford to pay will have to pay. Those who are wise will transfer that risk to insurance. *Fiscal realities will continue to fuel this equation.*

Embrace the certainty that it is not the risk today, but 15, 20 or 30 years in the future. Understand that only money solves problems and that the protection we must provide is in the final analysis just that—a "piece of money"!

The answer to production is obvious. Consumer awareness is growing and the boomer age wave is already upon us. Increasing mortality, declining morbidity and the future shortage of care-giving is reality. The government response is as plain as the nose on your face: *Protect yourself!*

In my humble opinion, all prior research points to two answers. **First, we must sell less to more.** If the middle class does not buy into the necessity of this coverage, we will fail. What is important here is where we choose to fight the battle. Do we not have a greater responsibility to fight the claims on the front end for the many, rather than to provide catastrophic coinsurance coverage

for the wealthy few? There will always be claims that exceed the law of averages. This is where government and insurance will continue to provide alternatives. However, this alone addresses no real problems.

Medicaid reform is imminent and mandatory. We have a moral and cultural responsibility to maintain protection for those in greatest need. Our republic was never designed to pay for those things for which we could and should pay ourselves. We are a nation built on taking personal responsibility for our futures, not waiting in anticipation of the next government subsidy.

The deficit reduction legislation, passed in the last few days of the 2005 session by both the House and Senate, recognizes these realities. It would expand partnership plans

nationally, it closes numerous Medicaid planning loopholes, it limits homeowner equity exclusions, and it extends the look-back period for transfer of assets to five years from the time of claim. Hopefully this legislation will make it to the President's desk. If not, it will only be postponed by the forces of darkness and government dependency. *Similar concepts will eventually prevail because it is the only course of action that makes any sense.*

**The second answer that jumps out at you is the necessity of improving sales at the worksite.** We provide health insurance and retirement benefits at work; it is common sense to conclude that retirement security benefits should be delivered in the same manner.

Finally, I believe we are on the brink of

radical product evolution. The first generation of boomer products will be simpler, making it easier to understand immediate benefits; more affordable; and focused on providing greater coverage for more Americans.

At the end of the movie *Casablanca*, Humphrey Bogart's character Rick must face his own commitment to the welfare of his fellow man. Acknowledging his personal responsibility to help make the world a better and safer place, he walks off into the night to rejoin the battle. The usual suspects were only a ruse.

As with Rick, the correct answer is personal and inherently wired into each of us. The battle ahead remains long and arduous. However, our cause is just. Victory will still be ours! 🌍