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How To Build A Perpetual Referral Machine

Perhaps the oldest and most frequent lament of all direct sales is, "Where can I get leads? I can sell, I just need more motivated and knowledgeable buyers." This has certainly been a frequent theme of current long term care insurance sales.

The time has come to capitalize on our knowledge from past sales, the inevitable demographics of an aging America, growing consumer awareness and a clear focus on those principals we all recognize as contributing to buyer commitment.

The fates and muses are finally smiling upon all our hard work. It is time for a new beginning; a fresh approach based on what we know to be true about successful sales.

The LIMRA Executive Surveys indicate a strong optimism about the future of group sales. In fact, the only bright spot in recent LIMRA production numbers is the steady progress of group sales. Sales in the large group market have been very encouraging.

However, it is the small group market that cries out for attention. More importantly, it is not just a marketing opportunity that is available in small group LTCI sales. It is, I believe, our only real opportunity to achieve the necessary market penetration to validate the success of our mission.

In truth, we have done an excellent job of selling comprehensive LTCI protection to the upper middle class. Our professional responsibility and moral obligation to shift this risk from the public to the private sector requires a more egalitarian (i.e., worksite) approach, however. The small group market remains virtually untouched.

Recent LIMRA research at the worksite indicates that 74 percent of employees

surveyed want LTCI, and it is their number one choice for employee benefits. Employers indicated they would introduce "voluntary" long term care plans more than any other benefits. Offering LTCI helps attract and retain employees and protects the employer from the cost of employee care giving. LTCI relieves employee stress, creates enhanced competitive benefits and prevents lost productivity.

Consumer research conducted by ACCI, MetLife and LIMRA confirms the obvious. Those who buy LTCI are aware of the emotional issues involved in the problem. Although they are concerned about protecting assets, it is the emotional connection to caregiving issues that contributes most to the sale. We know from LIMRA worksite research that LTCI provides tremendous psychological benefits to employees: "98 percent say that long term care insurance makes them more secure about their future."

The argument is shifting based on what we have learned. Worksite sales to employers fulfills an important need: pure economic self interest. The cost to employers in terms of lost productivity and employee absenteeism is staggering.

This is not about selling yet another employee benefit. It is, more importantly, a proactive risk strategy to protect against the rising costs—both financially and emotionally—of caregiving in America.

There are a growing number of voices, including yours truly, that have begun to proselytize a new sales dynamic. A new and invigorated appeal to build upon our past and reach out to an expanding audience.

What must be understood is that there is

not one sale in small group—there are four. And these four build a foundation from which the agent and general agent can build a perpetual ongoing resource of current and future referrals.

The first sale—the executive carve-out sale—is the one at which we have become the most proficient. We must build upon this sale. Return to the person who is already a “believer.” This person signs a check to an insurance company every month because he understands it is right and appropriate for him and his family. However, his protection is not complete. He remains exposed to the financial risk of employees impacted by the needed care of parents, in-laws and grandparents. This

leads logically to the second sale, a “core” benefit sale, employer-paid for all employees. If the employer “believes” it is best communicated by the purchase of this basic benefit, the small size of the benefit is not important.

The commitment from the employer is what is important. This also establishes the affinity discount that provides the opportunity to make the third sale: the voluntary buy-up for employees and spouses. Voluntary sales are successful in an environment where the employer is an active sponsor and participant. Those sales conversations with employees lead to perhaps the most important sale: corollary sales to parents, in-laws and grandparents. This is the sale

in which the employer has the greatest interest. The employer must simply help by creating an environment that will facilitate his own needs.

When viewed in this comprehensive manner, prospective leads are multiplied by three to four times the number of employees. And although not all of these individuals may be ready to buy today, they are very likely to become ready as the inevitable march of time brings more and more of them into the proximity of a long term care event. A coordinated marketing plan designed to address all the sales inherent in the small group market represents an ever-growing and dependable resource for “perpetual leads.” 🌐