› Long-Term Care Sales Ideas

TIPS FOR TURNING NEEDS AND CONCERNS INTO SALES

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Sales Ideas

Do you ever wonder how to find people to talk to or how to begin a conversation about LTCi?

Do you know what's keeping your clients up at night or what problem they're trying to solve?

Can you effectively use product features to overcome their fears and address their concerns?

This booklet gives you tips and ideas to tackle these issues head on so you can turn your clients' needs and concerns into sales.

Sales Idea:
Look for People who Match the Profile of a Typical LTCi Buyer

A survey of our policyholders allowed us to capture a snapshot of a typical LTCi buyer. We found that most often, people who purchase LTCi share these similarities:

- Female, age 55 to 64
- Married with adult children
- Working in a white-collar profession; not yet retired
- College educated
- Living in a metropolitan area with a population of at least 250,000
- A homeowner with 11 or more years in the current residence
- Affluent; upper middle class with a household income of $100,000 or more
- A "planner" who is interested in financial issues; owns life insurance and other conservative investment products
- Family oriented
- Exposed to LTC issues; knows someone (a family member or friend) who has needed LTC services
- Research oriented; an online user; self-educated about LTCi
- Generally skeptical and mistrusting of financial advisors and insurance companies

Sales Idea:
Search Your Database of Existing Clients

You already have a built-in supply of prospects. Your existing clients know and trust you, and that means they'll be receptive to talking with you about LTCi. Just look for people who fit the profile of a typical LTCi buyer.

Sales Idea:
Get Active in the Community

Your community provides a wealth of prospective clients. You just need to know where to look:

- **Centers of Influence** – Partner with accountants or attorneys in your area. These can be mutually beneficial relationships
- **Civic Organizations** – Join local organizations and make yourself known to the members of your community. Offer your services as a speaker at an upcoming meeting
- **Associations** – Place ads in association newsletters and offer to speak to the association's membership
- **Referrals** – Don't forget to ask everyone you talk to if they know someone who could benefit from your services

Sales Idea:
Look for People with a Common Employer

Policies in the MutualCare® Solutions portfolio include a common employer allowance that entitles co-workers to a 5 percent savings on their premium.

Here's How it Works:

- A minimum of five applications is required. The initial five applications must be submitted together
- No employer endorsement is needed. The policy is not designed to be ERISA/Title VI compliant and therefore should not be offered as a worksite/multilife program
- Once the common employer group is established, subsequent applications can be submitted under that employer
- The common employer allowance is available to the employee and his or her partner
- Employer sponsorships are not allowed. This includes paying all or a portion of the premium, endorsement of the coverage during work hours, support for payroll deduction and list billing

Using the common employer allowance is a good way to generate referrals. So be sure to ask prospective clients for the names of their co-workers. Then use the common employer allowance to help make more sales.

Begin the Conversation

Sales Idea:
Get People to Share Their Dreams for Retirement

Most people aren't eager to talk about long-term care. So get them to talk about their dreams for retirement instead.

Where will they live?

How will they spend their time?

Where will they get the money to pay for the things they plan to do in retirement?

Once they lay out their plan, it becomes easier to begin a discussion. Talk to them about how the need for long-term care services could put their dreams for retirement in jeopardy.

Sales Idea:
Discuss What it Means to Live a Long Life

While most people plan to live a long life, they don't want to think about getting old. They don't like the idea of having to depend on someone else for help. And they certainly don't want to end up in a nursing home. Here's a good way to begin the conversation about what it means to live a long life and establish the need for long-term care.

Conversation Starter	If you're like most people, you plan to live a long life, right? Let's talk about how that could impact your spouse and children.
Talking Points	There's no way around it. People who live a long life get old. And that often means they need help with everyday activities. Get your prospective clients to talk about: • Where they want to live? • What they would do if they were unable to manage on their own? • Who they could rely on for help?

Sales Idea:
Explore the Impact on the Family

A long-term care situation doesn't only impact the individual who needs care. It also can affect the family. If you or someone you know had a long-term care experience, now is the time to share the impact it had on the family.

Conversation Starter	Many of my clients have experienced the emotional, physical and financial toll of caring for a loved one. I want to make sure what happened to those families doesn't happen to yours.
Talking Points	Discuss how the need for long-term care services has the potential to: • Affect the caregiver through missed work, lost wages or exhaustion • Cause family disagreements or hard feelings when one person assumes a greater share of caregiving duties • Deplete a family's savings or require assets to be liquidated to pay for care

Sales Idea:
Ask How They Plan to Pay

Many people haven't thought about how they'll pay for long-term care. Others mistakenly believe their health insurance or the government will pay. Here's a good way to begin the discussion and educate prospective clients about the different options.

Conversation Starter	How do you plan to pay for the care you may need someday?
Talking Points	Health insurance doesn't pay for long-term care services. Medicare coverage is limited. And relying on Medicaid may mean spending down assets to qualify. A long-term care insurance policy may be the best way to help your clients: • Pay for care in the setting they prefer • Avoid the risk of depleting a lifetime of savings • Continue to enjoy the life they'd planned

Sales Idea:

Take Time to Learn Your Client’s Primary Concern

Consumer research tells us there are three primary problems people are trying to solve with the purchase of an LTCi policy:

Family – Over half of the people we surveyed said they bought LTCi because they’d been a caregiver for someone with a chronic illness or disability. This experience left them determined not to let that happen to their family.

Home – People who purchased LTCi did so to ensure they would have the option to receive care at home. They also felt it would allow them to maintain their independence and personal dignity.

Nest Egg – Long-term care services are expensive. And most people simply can’t afford to pay for these services out of their own pockets. Survey participants told us they purchased LTCi to protect the assets they’d worked a lifetime to accumulate.

Avoid the temptation to jump in and start selling. Instead, take some time to get to know your clients. Learn what concerns them most. Find out what’s keeping them up at night. Wait until you understand their problem before offering a solution.

Sales Idea:

Provide a Better Alternative than Relying on Family

You’re certain to run into prospective clients who believe their kids will take care of them. While it may seem like a simple solution, these people need to consider what being a caregiver really means.

Children typically have their own family and career obligations. So adding the role of caregiver to an already busy day can take a physical, financial and emotional toll.

- It’s not unusual for caregivers to ignore their own health, often becoming ill themselves
- A child frequently must take time off work or quit a job altogether in order to care for a parent
- Family conflicts sometimes arise when one child assumes a greater share of caregiving duties

There’s no doubt most children will step in to help their parents when the time comes. An LTCi policy provides the funds to hire professional services so the kids don’t have to take on the full responsibility of caregiving. LTCi simply allows them to keep the promise they made to care for their parents by hiring professionals to be there when they can’t.

Sales Idea:

Keep Your Clients out of a Nursing Home

Many people equate long-term care with a nursing home. And since that's someplace they really don't want to go, they don't think they need an LTCi policy. When you encounter prospective clients who are adamant about staying at home, show them how today's policies are designed to help them get the care they need in the comfort of their own homes. Here's how:

Cash Benefit – Our built-in cash benefit with no elimination period provides flexibility to receive benefits in cash each month as opposed to waiting to be reimbursed for actual expenses incurred. Having cash up front can be helpful as families explore care alternatives or pay for services not otherwise covered by the policy.

Stay-at-Home Benefits – Our policies allow people to get the help they need to continue living at home. This includes help with the activities of daily living like bathing and dressing, homemaker services such as grocery shopping, meal preparation and housekeeping, and the professional services of a registered nurse, home health aide or therapist.

Care Coordination – This is another way our policies help people access policy benefits designed to help them remain safely at home. There's no elimination period to satisfy for care coordination services, so a care coordinator can be assigned right away. The care coordinator then will assess the needs of the insured, develop an individualized plan of care and help arrange for long-term care services.

If your clients know that home is where they want to stay, help them understand the importance of planning for the day when they can no longer manage on their own. Then show them how an LTCi policy can help pay for the care they need.

Sales Idea:

Protect a Retirement Nest Egg

When planning for retirement, many people fail to consider one important and potentially significant expense…the cost of long-term care services. The average cost of nursing home care is quickly approaching $80,000 a year. And that's just for one person. If both partners need care, a retirement nest egg could be depleted quickly. Without a plan to pay for long-term care services, your clients could be putting everything they worked a lifetime to accumulate at risk.

WHAT THE COST?

The cost of long-term care services continues to rise. Who knows what it will be 10, 15, or 20 years down the road when your clients are likely to need care. Consider today's national average costs based on Mutual of Omaha's Cost-of-Care Survey:

Home Health Care	Assisted Living Facility	Nursing Home
$22 per hour	$4,245 per month	$85,048 per year

HOW WILL THEY PAY?

Like most people, your clients may mistakenly believe their long-term care needs already are taken care of. However, major medical insurance doesn't cover long-term care services. Medicare coverage is limited to helping people get back on their feet after an illness or injury. And relying on Medicaid may mean spending down assets to qualify.

With these options off the table, how would your clients pay for the care they may need? Here are three good questions to get them thinking:

- Could you afford to pay up to $85,000 a year out of your retirement savings?
- Would you have access to the funds you need? Or would you have to sell assets, cash in stocks, or dip into 401(k) or other savings accounts?
- Which asset would you use to pay for long-term care services?

Sales Idea:

Demonstrate the Benefit of a Partnership Policy

Owning a partnership-qualified policy allows your clients to protect a portion of their retirement savings while providing a Medicaid safety net.

WHAT IS PARTNERSHIP?

- Long-term care partnership programs are alliances between participating states and private insurance companies
- In order for an LTCi policy to be partnership-qualified, the state must recognize partnership policies and the policy must be filed with and approved by the state
- Partnership programs are specifically designed to encourage people who otherwise might plan to rely on Medicaid for their long-term care needs to purchase LTCi policies
- Owning a partnership-qualified policy entitles people who deplete their policy benefits to retain a specific amount of assets and still qualify for Medicaid, provided they meet all other Medicaid eligibility requirements
- Asset protection is provided on a dollar-for-dollar basis. For example, someone who owns a partnership-qualified policy with a $200,000 policy limit can protect $200,000 in assets from the required Medicaid spend-down
- In order to be considered partnership qualified, the policy must be tax qualified and include inflation protection for applicants under age 76

MORE ABOUT INFLATION PROTECTION

In states that recognize partnership policies, the Deficit Reduction Act of 2005 (DRA) clearly spells out inflation protection requirements. Each state has the right to determine the inflation percentages that qualify. Some states have reduced the inflation protection minimum to 1 percent. That's good news because MutualCare® Custom Solution policies offer inflation percentages beginning at 1 percent. That gives your clients a low-cost way to ensure a portion of their assets are protected if they need to apply for Medicaid.

Age at Time of Purchase	Inflation Protection Required
Under age 61	Compound annual inflation protection is required
Age 61 to 76	Some level of inflation protection is required
Over age 76	Inflation protection is optional

MORE ABOUT PARTNERSHIP PROGRAMS

It's important to remember that Mutual of Omaha's LTCi policies may not be available for partnership-qualified status in all states. Eleven states currently do not offer partnership programs. Four additional states have grandfathered partnership programs making them exempt from DRA requirements. You'll find complete details about partnership programs in the LTC product section on Sales Professional Access.

Use Product Features to Solve a Problem

Sales Idea:

Keep People at Home with Cash

When families gather to make tough decisions about the long-term care needs of a loved one, typically their first priority is to find a way for a family member to receive care at home.

Mutual of Omaha's built-in cash benefit, available on both MutualCare® Secure Solution and MutualCare® Custom Solution policies, is intended to help pay for long-term care services people receive at home. The cash can be used for any expense related to the insured's long-term care needs. There's no elimination period to satisfy, no bills to submit for reimbursement, and no worrying about whether an incurred expense will qualify for coverage.

Here's How it Works:

- When the insured goes on claim, he or she may elect to receive policy benefits in cash. This is in lieu of reimbursement benefits
- There's no elimination period to satisfy. The cash benefit is available as soon as the insured qualifies for benefits under the policy
- The cash can be used for any type of long-term care expenses the insured chooses. This includes housekeeping services, care provided by family members, or other out-of-pocket costs
- The insured has the flexibility to switch between cash and reimbursement benefits at any time. Remember the policy's elimination period applies for reimbursement benefits; however, days in which the cash benefit is used do not count toward satisfying the elimination period for reimbursement benefits

Having the flexibility to receive policy benefits in cash allows your clients to manage their care options and control how they spend their policy benefits. And that's something they may not find from every other company.

Sales Idea:

Provide Added Value with Care Coordination

A fall. A broken hip. That's all it takes to leave families scrambling to ensure an elderly parent gets the care he or she needs. It's a highly emotional time. There are a lot of options to consider and immediate decisions to make. Unfortunately, most people don't know where to turn for help.

Both MutualCare® Secure Solution and MutualCare® Custom Solution policies contain a care coordination benefit designed to help your clients and their families assess long-term care needs and arrange for services. There's no elimination period to satisfy, which gives the insured immediate access to the services of a care coordinator – typically a registered nurse.

Here's How it Works:

- To request the services of a care coordinator, the insured or a family member calls the toll-free telephone number on the policy
- A care coordinator is assigned and that person calls the insured to assess the need, develop a personalized plan of care and assist in obtaining the services and facilities outlined in the plan of care
- The care coordinator continues to monitor the insured's progress and quality of care received

Use of a care coordinator is not required; however, some additional stay-at-home benefits of the policy, such as caregiver training, durable medical equipment, home modifications and medical alert systems are available only when a care coordinator is used. In addition, use of a care coordinator gives the insured access to the alternate care benefit of the policy.

Sales Idea:

Share the Good News about Shared Care

Partners share everything else, so why not share LTCi benefits? Adding the optional Shared Care Benefit to their policies means if either partner exhausts the benefits of one policy, he or she can access benefits under the other policy.

Here's How it Works:

- The Shared Care Benefit is available only when both partners apply for coverage at the same time and identical policies and benefits are issued
- Once benefits have been exhausted under one policy, the partner needing care can access benefits from the other policy until a maximum of 12 times the current maximum monthly benefit remains
- If one partner dies while both policies are in force, the surviving partner receives the deceased partner's remaining policy limit with no effect on premium. If an inflation option was added, the amount will inflate accordingly
- Shared Care is available on both MutualCare® Secure Solution and MutualCare® Custom Solution policies

If your prospective clients are concerned about what will happen if they use all their LTCi benefits but still need care, be sure to share the good news about Shared Care. This optional rider provides peace of mind for people who may be wondering what they'll do if their benefits run out.

Sales Idea:

Provide Security for an Uninsured Partner

When couples decide they need LTCi coverage, they're not happy to hear that one partner might not qualify. Often, instead of going ahead and purchasing a policy for the insurable partner, they decide to try their luck with another insurance company, hoping they both will be accepted.

Policies in the MutualCare® Solutions portfolio contain a unique optional rider specifically designed to address this situation. When added to the policy of the insurable partner, the Security Benefit provides additional funds that can be used to pay for care or living expenses for the uninsured partner. And that adds a measure of security for a couple facing a difficult situation.

Here's How it Works:

- If the insured partner needs long-term care services and is unable to care for the uninsured partner, the Security Benefit will make additional funds available – up to an additional 60 percent of the policy's monthly reimbursement benefit
- The money can be used to pay for any services or living expenses the uninsured partner might need
- There's no medical underwriting required for the uninsured partner
- Benefits paid to the policyholder under the Security Benefit rider do not reduce the policy limit
- If the uninsured partner should die, the Security Benefit can be removed from the policy to reduce the premium
- The Security Benefit is available on both MutualCare® Secure Solution and MutualCare® Custom Solutions policies

When you determine one partner may not be eligible for coverage, use the Security Benefit to help save the sale.

Sales Idea:

Get Maximum Benefits for Professional Home Health Care

If staying at home is your client's top priority, here's a way to ensure the policy provides maximum benefits for home health care. The Professional Home Health Care rider, available only on a MutualCare® Custom Solution policy, makes additional funds available for long-term care services provided by a nurse or skilled health-care professional. These extra funds allow your client the ability to get the level of care needed, even if it exceeds the policy's maximum monthly benefit.

Here's How it Works:

- If the cost for professional home health care services exceeds the policy's home health care maximum monthly benefit in any given month, the Professional Home Health Care rider provides up to an additional 100 percent of the home health care maximum monthly benefit
- Professional home health care is defined as services provided by a nurse or other skilled professional specializing in physical, respiratory, occupational or speech therapy, audiology, nutrition or chemotherapy administration (additional funds for services provided by a nurse are limited to 356 days over the life of the policy)

For Example:

- Your client purchases a MutualCare® Custom Solution policy with a $3,000 maximum monthly benefit and adds the optional Professional Home Health Care rider
- After satisfying the policy's elimination period, the insured begins receiving policy benefits. However, for the first few months, the cost for the care needed exceeds the policy's $3,000 maximum monthly benefit
- In this case, the Professional Home Health Care rider provides up to an additional 100 percent of the home health care maximum monthly benefit. That gives your client access to up to $6,000 per month to help pay for professional home health care services

The Professional Home Health Care rider is perfect for people who intend to remain at home as long as possible. Use it to help ensure your clients get maximum benefits from their LTCi policy.

Use Product Features to Solve a Problem

Sales Idea:

Use Inflation Protection to Reach a Desired Premium

If your client has a number in mind – a monthly amount he feels he can afford to spend on his long-term care insurance policy – inflation protection can help you reach that desired premium.

A MutualCare® Custom Solution policy gives you a variety of inflation protection options that allow you to easily make adjustments in order to arrive at an acceptable premium amount.

Adjusting the inflation duration and inflation percentage gives you the ability to meet needs and budget requirements of any client.

Inflation Durations	Inflation Percentages
10-year 15-year 20-year Lifetime	1 to 5 percent compound in increments of .25 percent Includes a guaranteed buy-up option

Three Inflation Protection Strategies

Let's assume your client feels he can afford to spend $200 per month on his long-term care insurance premium. Using a MutualCare® Custom Solution policy, here are three different inflation protection strategies that allow you to reach the desired premium:

	No Growth No Inflation Protection		Moderate Growth 15-Year · 1.5% Compound		Rapid Growth Lifetime · 3% Compound	
	Monthly Benefit	Policy Limit	Monthly Benefit	Policy Limit	Monthly Benefit	Policy Limit
Today	$7,600	$500,000	$6,500	$400,000	$3,900	$270,000
In 30 Years	$7,600	$500,000	$8,126	$500,093	$9,468	$655,361

Sales Idea:

Discuss the Beauty of the Buy-Up Option

A MutualCare® Custom Solution policy includes an inflation protection buy-up option that allows your clients to increase their inflation protection percentage once each year or decrease the inflation percentage at any time.

Here's How it Works:

- The buy-up option is only available on a MutualCare® Custom Solution policy
- Each year, on or before the policy anniversary date, the insured can choose to increase his or her compound inflation protection to any percentage we offer. The insured must elect this option in writing
- The total level of inflation protection cannot exceed 5 percent
- The premium for the policy is based on the insured's age at the time of the buy up; however, actual premium will include a premium credit based on type of coverage and how long the policy has been in force
- The increase is effective on the policy anniversary following the election with benefit increases occurring on the following anniversary
- The increase is available prior to the lesser of 20 years or age 75
- The insured also has the option to buy down to a lower inflation percentage at any time while keeping any gains previously applied to the policy

For Example:

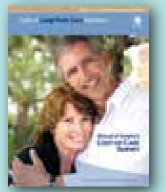
At age 55, your client purchases a MutualCare® Custom Solution policy with 1 percent inflation protection. At age 58, he decides to increase the inflation percentage to 2.5 percent. He exercises that option again at age 61, increasing to 3.5 percent. Then at age 80, he chooses to buy down to the initial 1 percent.

The beauty of the buy-up option is that it gives your client the flexibility to adjust policy benefits as needs change over time.

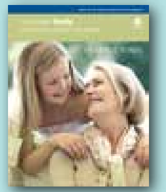
Learn More

You'll find complete details about product features and benefits in the MutualCare® Solutions Product & Underwriting Guide (M28379).

Get cost-of-care information by state in Mutual of Omaha's Cost-of-Care booklet (M26548).



Learn why people buy LTCi and why they don't. You'll find the results of Mutual of Omaha's consumer research study in our Hearts & Minds brochure (M28080).



Get complete details about partnership programs in the Partnership Overview & Training Requirements Guide on Sales Professional Access (M28108).

At Age:	55	58	61	80
Inflation Percentage:	1% initial	2.5% after buy-up	3.5% after buy-up	1% after buy-down; any gains previously applied to the policy are retained
Premium for Inflation Protection Rider Calculated:	Based on issue age 55	Based on age at the time of the buy up, but includes a premium credit based on type of coverage and how long the policy has been in force		Based on issue age 55

Long-term care insurance underwritten by:

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