
Pre-Approach Conversation Starters for Long Term Care Insurance

If you are a financial or investment planner – or an insurance agent who also performs these functions – here are some conversation starters you might say to your clients:

- ◆ “Mary, one of the key objectives of the financial plan we have designed for you is to make certain your income will be sufficient to guarantee you a worry-free retirement. But we are concerned that the high costs of an extended period of long term health care could decimate your income stream and force you to liquidate your assets. It is important that you analyze this risk so you can determine if you should self-insure it or transfer it to an insurance company.”
- ◆ “Jack, one of your key objectives is the preservation of your assets for Mary and the kids and the recent life insurance policy we put into place was designed to help you accomplish that goal. But the costs of extended medical care can now easily exceed a million dollars – which would mean that much less for your family. Therefore, it is important that you analyze this risk so you can determine if you should self-insure it or transfer it to an insurance company.”
- ◆ “Jane, conservation of capital for the grandchildren is one of your primary goals and we believe the high costs of health care pose a serious threat to that goal. Therefore, it is important that you analyze this risk so you can determine if you should self-insure it or transfer it to an insurance company.”
- ◆ “Ralph, we just looked at a government study that indicates that the high costs of extended health care could eat up your retirement income and force the liquidation of family assets. Would you like us to research for you some self-insurance and risk transfer solutions to that potential problem?”
- ◆ “Melinda, the costs of extended medical care can now run well over a million dollars. Since most of your and Tom’s assets are tied up in your company, it could cause a real liquidity problem and force the liquidation of family assets if extended health care is needed. That being the case, it is important for you to analyze this risk so you can determine if it should be self-insured or if it should be transferred to an insurance company.”

You’ll notice that in every one of these examples you are talking to your clients about preserving their wealth and guaranteeing their retirement security rather than talking about long term care insurance.



Further, we are asking them to analyze the risk so that **they** can determine if it should be self-insured or insured – an action that is far more effective than telling them they have a long term health care problem.

In addition, in each case you are suggesting that your clients should look at self-insurance as well as insured solutions to the costs of long term health care. Here is why you want to do that:

- ◆ We want to engage our clients in talking about a self-insurance solution to long term health care costs because most of them have been told by their advisors to self-insure. However, “real” self-insurance involves analyzing and quantifying a risk, and then setting aside resources to pay for it. This is a far different strategy than what your prospects think they are doing when they say “I’ll self-insure long term care” because, in reality, they are simply ignoring the risk rather than doing anything about it.
- ◆ Mentioning self-insurance up front in the conversation pre-empts the prospect from using it as an objection.
- ◆ Our value proposition – which we will introduce later on in the sales process – is based on comparing our insured solution to a self-insured solution.

Ok, but how do we engage someone in a long term care insurance conversation if we know nothing about their financial situation. One way to do that is to focus on an **advantage** long term care insurance can provide. The *CLTC-WealthSecure System* is designed to address and back up all aspects of discussing long term care insurance. For example, you can now be comfortable saying to your prospects something like the following:

- ◆ “We have just come across a new tax-deductible long term care insurance plan that will protect you and the family against the high costs of extended health care – and at the same time will enable you to take money out of your corporation for the benefit of your family; would you like to see how it works?”
- ◆ “We have been able to create a long term care insurance plan to protect you and your family against the high costs of extended health care that is 90% tax deductible – would you like to see how it works?”



◆ “I know you and Mary have a high net worth and therefore certainly have more than enough money to pay out two or three million of it if you ever have an extended need for health care because of a serious injury or stroke, or from diseases such as Parkinson’s, MS, and Alzheimer’s. But we have come across a new insurance plan to conserve your wealth that can pay up to \$3,500,000 in long term health care costs if you ever need care – AND will refund all of your premiums if you never need it. Would you like to see how it works?”

◆ “We have just come across a new long term care insurance plan that will return 125% of your premium costs to your family when you die if you have never received benefits – would you like to see how it works?” (for New York State residents).

◆ “Your non-profit organization can create a new deferred compensation plan to protect selected key employees’ wealth accumulation plan assets against the costs of extended health care with these key features:

- The plan is funded with new long term care insurance policies.
- Your organization can pay the selected employees a special bonus to buy their policies.
- The bonus is not taxable to the employees.
- The benefits are tax-free to the employees.
- If the employees never receive insurance benefits, the sum of all of the bonus payments paid to them will be refunded to their families by the insurance company when they die.
- The plan is not subject to IRC 409A or 457(f).

Would you like to see how it works?”

◆ “We can design an insurance plan for you and the other attorneys in your firm to pay the costs of long term health care with these 3 key features:

- If you or your spouses ever need care, the plan will pay up to \$2,500,000 to cover your costs.
- If you don’t need care, all of your premiums will be refunded to your family when you die.
- A substantial part of your premium will be tax deductible.

Would you like to see how the plan works?”

(Note: if you have a prospect who pays New York State Income taxes you can say: “If you don’t need care 125% of your premium costs will be refunded to your family when you die.”)

◆ “We have designed a fifteen minute program that will enable you to determine, once and for all, if long term health care costs are a serious threat to your family’s financial and emotional security; would you like to see how it works?”

◆ “The government has determined that 70 out of every 100 of your key employees will spend some or all of their retirement income on the costs of long term health care (1) – a result I’m sure was never intended when you created their wealth accumulation plans.

However, a new insurance plan has been designed to insure these costs with these unique features:

- The program can insure selected employees and their spouses.
- Tax subsidies will pay up to 60% of your company’s cost – and under certain circumstances the plan can be cost neutral to your company.
- There is no tax or cost to your employees.
- If the employees or their spouses need long term health care, the insurance company can pay up to \$3,000,000 of their costs.
- When the employees die, the insurance company will refund 100% of the premiums paid by your company to their personal beneficiaries.
- The plan is exempt from Section 409A restrictions.

Would you like to see how it works?”

In these examples, we have mentioned long term care insurance, but only in connection with a tax or economic advantage. And, as we will see in the next section, we will not show the prospects how the plan works until they acknowledge that the consequences of long term health care pose a serious problem to themselves, their families or to their employees.

To sum it up

You can get your long term care insurance conversation started by either talking about your clients’ financial goals – and how long term care costs may adversely affect them – or by talking about a tax or economic advantage that long term care insurance can deliver to them.

