

# LTC NEWS

Editor: Denise L. Gott Contributing Editors: David M. Miller, Deborah D. Kocsis, Shannon Norris

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## Why Your Clients Need Long Term Care Insurance part 1 of 2

### What is long term care?

It is the day in, day out assistance required by an individual who has an illness or disability which requires extended chronic care. In the LTC arena, a disability is measured in one of two ways. First, is the individual unable to perform activities of daily living without human assistance? The standard activities being bathing, dressing, eating, toileting, transferring and continence. Second, it the individual's ability to reason impaired due to a cognitive impairment such as Alzheimer's or Parkinson's.

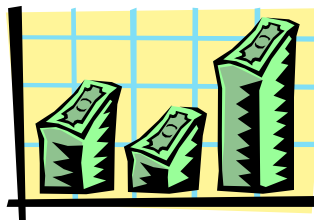
Long term care should be thought of as a continuum of care that is

classified into three areas: home care, community care and facility-based care. Home care includes home health care aid; homemaker services; therapy and nursing services. Community care includes adult day care; senior centers; and congregate meals. Facility-based care includes assisted living facilities; board and care homes; congregate homes and nursing homes.

**What are the chances your clients will need LTC?** The risk is high and probably the reason your clients have been inquiring about LTC insurance. At age 55, the chances are one in ten. At 65, the chances are 4 in 10 and at

age 75, the risk is 6 in 10. This is the single biggest financial risk that your 55 and older clients face. Pose the following question to your client: You've just retired, house is paid off, kids are moved out; can you think of anything that could force you to spend your money against your will, other than a chronic extended illness?

Denise L. Gott



Next Issue... Who Pays for Long Term Care?

## The Elephant Sheet

### Who is a Candidate for LTC Insurance?

We're out hunting elephants. You're a rookie and have no idea what an elephant looks like; how will you be successful in the hunt? Similarly, how will you identify those clients who are good candidates for long term care insurance. To make the best use of your prospecting time, here is a list of criteria

that will help you identify those individuals.

1. Ages 45-75
2. Assets of \$50,000 (exclusive of home and car)
3. \$20,000 annual income

An individual may be able to pay for a long term care situation, however, LTC insurance

will prevent having to use retirement assets by shifting the burden of this catastrophic expense to an insurance company. Why should an individual use assets, run the risk of impoverishing himself and his spouse, if there is a better, more efficient alternative?

Deborah D. Kocsis

### Ohio Long Term Care Brokers

Robert P. Dittman  
President  
Deborah D. Kocsis  
V.P. Operations  
Underwriting  
Denise L. Gott  
V.P. Marketing  
Shannon Norris  
New Business

**We are located at:**  
701 Beta Drive Suite 34  
Mayfield Village, OH  
44143  
Ph: 440-461-5131  
Fax: 440-461-4053  
Toll Free:  
800-461-2051  
Email: OhioLTC@core.com

We are committed to offering both agents and clients the best products, service, and expertise in the Long Term Care arena. In fact, Long Term Care is all we do!

## Producer's Corner

### "The Follow Up" by David M. Miller

In order to be successful at selling any type of insurance, you must first have people to talk to. There are several lead sources that are available: Cold calling, direct mail, telemarketing—to name a few. In our last newsletter, we talked about successful seminar selling, but what happens after the prospect has checked "yes" on the evaluation form? How do you make contact and what do you say on the phone? That is the topic of "The Follow Up".



How do you make contact and what do you say on the phone?

Whether your seminar was in the morning or late evening, you must contact all of your "Yes" respondents within 48 hours of the seminar. You see, leads are not like wine; they do not get better with age! What is your objective in making those calls? To sell insurance over the phone? No. At this point, you are only calling to set the appointment and pre-qualify the prospect. They have already agreed to a consultation. It is now your job to find a mutually convenient time to meet with the prospect. For example, "Mrs. Jones, this is David Miller from the long term care workshop last night, and I see that you are interested in a free personal consultation. I am calling to see when would be a convenient time for us to meet; I am available tomorrow at 10:30 am or would 2:30 PM be better? That's it. No selling on the phone as this point be-

cause you're not even sure the person qualifies. In addition to setting the appointment, you must also pre-qualify them. According to Phyllis Shelton, the nation's leading authority on selling LTC, there are three main questions that you must ask your prospect over the phone before you meet with them:

1. Health question—And don't just ask how's your health because even if they are smoking three packs a day, pulling an oxygen cart they'll still tell you their health is good. It is much more effective to ask "How many times have you been hospitalized in the last 5 years? or What medications are you currently taking?"
2. Assets question—Hopefully in the seminar your prospect understood that LTC is NOT for everyone. This is used so that you can ask the assets question over the phone, like this, "Mrs. Jones, remember when I said that LTC is not for everyone? Typically people with assets over \$50,000 will consider LTC. Would you say your assets are greater than \$50,000?" In the case of a couple, I would use \$100,000. Keep in mind that this is only a bench-

mark. The point here is you will weed out those prospects who would otherwise qualify for Medicaid. You do not want to make an appointment, get the prospects hopes up and then find out that they can't afford the premium—a terrible disservice to both of you; qualify the prospect financially.

3. Decision Makers—Find out AHEAD OF TIME if there is anyone else who helps the prospect make decisions regarding these matters. Is there a son/daughter, neighbor, CPA, attorney or the kid that cleans the pool that they would like to talk to? If so, make certain that this person is present for the appointment. There is nothing worse than spending 2 hours with a prospect only to have them say, "This all sounds great, let me talk to my kids and I'll get back to you." Most people will tell you that they make their own decisions, however, you must still ask the question.

In our next newsletter we will examine the sales presentation process and how to "customize" a long term care policy for your prospective client.

David M. Miller is a long-term care specialist with David M. Briggs & Associates, Inc. in Wooster, Ohio. He is also a national speaker and educator on the subject of long-term care.

## Company Spotlight

Continuing our spotlight of companies offered by Ohio Long Term Care Brokers, here is some information on John Hancock, Travelers, Continental General and GE Capital Assurance.

- John Hancock: Rated A+ with AM Best rating service; reimbursement contract, excellent company for your TIA, stroke cases.
- Travelers: Rated A+ with AM Best.

Niche lies in the 70+ market; good with cardiovascular problems.

- Continental General: Rated A+ with AM Best. Huge company owned by CRL. Indemnifies Nursing home and Assisted Living. Very competitive.
- GE Capital Assurance: A+ rating with AM Best. Billions in assets. Accepts insulin dependent diabetics, emphysema and COPD cases.



Call us with your client's medical information—We'll find the right company for you!!!