



HERE IS WHAT THREE  
TOP LONG-TERM-CARE  
INSURANCE PRODUCERS  
DID TO OVERCOME THEIR  
PROSPECTS' OBJECTIONS AND  
MOVE THEIR PRACTICES  
TO NEW HEIGHTS OF SUCCESS.



Rising Above the

# Challenges



BY TINA OREM

One day back in the 1980s when she was still a rookie, Phyllis Shelton stood with a handheld microphone before a senior citizens' group at a Methodist church and attempted to sell long-term-care insurance (LTCI).

The go-getter with a Southern accent loved speaking in front of groups and thought she had the right audience. But the presentation quickly became the latest in a string of ineffective cold calls, misguided direct mailings and other unproductive endeavors aimed at getting her in front of people who want to buy LTCI.

"As I was walking out the door when it was over," Shelton says, laughing, "a little lady tapped me on the shoulder and said, 'Honey, I just wanted you to know how much we loved your singin' today.' I thought, that's it for me!"

Luckily for the folks who have bought LTCI from Shelton over the years, that wasn't the end of the road. She persisted and quickly achieved success. Like other successful people, however, she had to overcome many roadblocks on her way to the top. The steps that she and two other advisors took as they attempted to solve their sales and marketing problems will shed some light on what it takes to sell lots of LTCI. ▸



## The Problem: Prospect apathy for LTCI

### The Solution: Make tiny changes to your prospecting and marketing techniques.

Through trial and error, Shelton, president of Nashville-based LTC Consultants, has learned a lot about what does—and doesn't—work when it comes to selling LTCI. Shelton has written two books about LTCI and is about to embark on a national speaking tour, but at one point in her career she had trouble getting in front of doctors.

"The turning point that got us big numbers was a medical college in Nashville," Shelton explains. "We were thinking 'great prospect' until the HR person said the doctors don't ever go to meetings. It's really hard to get them to participate in anything. My challenge was to figure out how to overcome that."

To address this challenge, she tweaked tiny details that can make a big difference. "Our model is we do eight weeks of pre-education, including a letter to the home and then seven emails to get people to come to meetings," Shelton says. "And then at the meetings, we get them to come to personal consultations. So if they don't come to meetings, how am I going to do this, right?"

The trick, Shelton says, was to make a one-word change on the invitation and go digital. "We stopped calling them *personal* consultations; instead, we called them *private* consultations," she explains. "I hired a programmer to set up a website where they could go online and reserve. And then all of our education pieces that we sent out had that link to reserve their *private* consultation. And it worked!"

Shelton says the online platform got those face-to-face meetings she'd been struggling to acquire. "A few of the doctors came to the meeting; most of them didn't. But a lot of them reserved their private consultation. It was hysterical because on the last day of open enrollment, they were stacked up in the waiting room with their white coats on. It was like a clinic in reverse. I'd go out and I'd say, 'Oh doctor, I'm so sorry you had to wait. Come on back, I can see you now.'"



## Lessons Learned

There's no magic formula for selling LTCI, but the problems described in this article highlight some important lessons you should remember as you meet with your prospects and clients.

- The oldest audience isn't always the best audience.
- Conversations about death and incapacitation may be a turn-off; remember to highlight the nonmedical features of LTCI.
- Know how LTCI differs in your state and point out any advantages your state might have.
- If you push too hard now, the prospect might feel strong-armed later on. Tread carefully.
- Remember that one word or a tiny tweak can make a big difference in your marketing campaign.
- Each generation buys differently—adjust your approach accordingly. □



## The Problem: Prospects who have already decided not to buy

### The Solution: Focus on their assets rather than on aging.

Michael Thomas, LUTCF, with the Connecticut Group in Westport, Conn., has been a producer for 21 years. In the last 10 years, he says, his LTCI business has roughly doubled. And although some customers—particularly those who have lived through or witnessed an LTC situation—are open to the discussion, Thomas faces many who have already decided against buying a policy.

"Most people have an opinion right away," he says. "They'll say, 'My mother was in a nursing home and I wouldn't want to do that to my kids. I'm definitely interested. Can you run some numbers for me?'" Or we'll have other people say, 'No, I'm not



interested at all. Frankly, if it gets to that point, I want my kids to give me a pill.”

Changing the conversation to asset protection has helped Thomas, a pre-retirement and retirement-planning expert, overcome some of this resistance. In particular, he highlights the fact that Connecticut is one of about 30 partnership states. Purchasers of policies that meet certain minimum requirements in these states have the right to apply for Medicaid under a special eligibility rule called an “asset disregard.”

Normally, to qualify for Medicaid in most states, a single individual can have no more than \$2,000 in assets. But with a partnership policy, states generally disregard assets equal to the size of the policy, allowing people who have exhausted their LTCI benefits to qualify for Medicaid without having to liquidate virtually all of their assets.

“If the client is buying a pool of money—let’s suppose for simple math it’s \$200,000—and he or she has a partnership contract,” Thomas explains, “by the time they use their long-term-care policy, the benefit has compounded up to, say, \$350,000. The partnership program protects \$350,000 worth of additional assets that the ‘well’ spouse does not have to spend down on the spouse who is using the benefit.” This preserves the family’s assets and still gives them access to Medicaid coverage.

Thomas notes that this side of LTCI can be attractive to prospects and casts the overall conversation in a less morbid light. “In Connecticut, it’s another tool that can be used to kind of protect assets, to be a little of an estate-planning tool, so to speak,” he adds.

Thomas says he’s learned that he can’t convince everyone, though. Now he knows when to let go. “If you talk to 15 different advisors, you’re going to get the same five or 10 reasons why people don’t want it,” he says.

“And those people, honestly, they’ve got their minds made up. What I don’t want, frankly, I don’t want someone writing me a check for \$5,000 for a premium and then two years from now sit there and say, ‘Why the hell did I buy that? He strong-armed me into that.’ And then I lose the client, who may have some investable assets with me or another product with me. It’s just not good business. I don’t really want to *sell*. I want the client to *buy* it. I want the client to feel comfortable with it, and if the client doesn’t want it and really needs to be sold on it, then it’s probably not the right fit.”



## The Problem: Inability to read your prospects’ minds

## The Solution: Tailor your selling techniques to the generation you are targeting.

Jeff Sadler, CLTC, CSA, president of SDS, Inc., in Riverview, Fla., started out selling disability income insurance in 1975 as an agent at Paul Revere. Today he’s an LTCI training consultant, a producer and author.

When he first began, the World War II generation was the primary market for LTCI, so those are the people he

became accustomed to selling to—people who, thanks to the Depression and the war, had been innately conditioned to safeguard things.

Then the Baby Boomers came along and turned things upside down. “The problem we’ve run into in this past decade is that we ran out of World War II people,” he explains.

“The next generation, the Silents, were pretty much hit or miss in terms of long-term care—a little more concerned about protecting than the Boomers. The biggest clientele now should be the Boomers but they’re the ones who are in the biggest denial about this whole risk in general.”

Although Sadler is careful not to generalize, he’s noticed that Boomers relate to him and his products in an entirely different way from other generational groups. “Boomers were always a spend today, put it on credit, worry about it later [group],” he notes. “And that kind of thinking also extended to some of the insurance coverage. Boomers haven’t really gone through a cathartic period like the WWII generation.”

The trick, Sadler learned, is to give Baby Boomers more time. Cultivating the transaction is much more important for them than it is for older generations, partly because they face more decision paralysis. They’re afraid of more market changes and layoffs, some are in denial about what they’ll need later on in life and some are relying on questionable Medicaid loopholes to help pay for their long-term care.

One 50-year-old prospect stands out to Sadler. “We set up the appointment and I went to meet with her,” he explains. “She came in with a legal pad—she had literally pages of questions listed there. About three or four questions in, she said, ‘I’m a pain, aren’t I?’”

They sat for at least two hours, Sadler recalls. “I saw her checking [the list]. She would check the number off when she got the answer, and she wrote the answer in.” But he didn’t get discouraged; in fact, he felt that every question put him that much closer to getting the sale, because the prospect was becoming more and more comfortable with the product.

He was right; the client called him two or three times after the meeting, took the application form and bought a policy.

Two hours of grilling might sound grueling, but Sadler says he’s currently working on one of his toughest prospects yet. “He’s 53 and we’ve been talking about it for three years, maybe three and a half,” Sadler says. “We have lunch occasionally together. And we’ve looked at pretty much every long-term-care concept possible.”

Sadler says the prospect, who is in the insurance industry and has had family members who have needed long-term-care, is waffling over concerns about carrier quality. But Sadler is gladly in it for the long haul. “I think at some point, he’s just going to have to decide ... but we probably have some more lunches to go before that one gets closed.” □



*Tina Orem is a freelance writer and a frequent contributor to Advisor Today.*