

A Tool for your
Success

Long-Term Care *sales kit*



CONSUMER FLYERS | CONSUMER RESEARCH
CONVERSATION TIPS

Brought to you by Pinney Insurance Center, Inc.
2266 Lava Ridge Court | Roseville, CA 95661 | PinneyInsurance.com

Long-Term Care – Words That Work



MetLife

Long-Term Care is a concept that has been growing rapidly over the last decade. Why is that? One reason is that advances in modern medicine have resulted in longer life spans for individuals who might not have survived diseases or other serious medical conditions without the benefits of today's treatments and emergency care. Also, as a result of advances in modern medicine, living longer makes having a plan in place in the event of needing long-term care even more important.

If you have ever talked with someone who has had a prior experience with long-term care and did not have a plan in place, you know the hardships it puts on the entire family emotionally, physically, and financially. However, for clients who haven't had exposure to it, the conversation becomes exponentially more difficult.

This "Words That Work" piece is designed to help you have a long-term care conversation with clients, regardless of if they had a previous experience with it or not.

What is Long-Term Care?

What's being said now	What clients are thinking	What you should say
"Long-Term Care helps protect you from having to pay out-of-pocket if you need to go into a nursing home."	I will never need a nursing home, so why should I pay money for a product I will never need?	"Don't associate Extended Care only with a nursing home or any particular condition. It's a life-changing event that may have a significant impact to your financial strategy."

For many clients, the term "long-term care" evokes an image of nursing homes, old people, or an insurance product. In turn, this often creates an issue before you sit down. Consider the term "extended care" or "care over an extended period of years." Doing so will likely have the client asking, "What do you mean," which then turns the conversation into an educational one rather than defending yourself with the client, who is on guard.

In addition, many clients believe that long-term care is nursing home insurance. It's not; it's much more than that. The hope is that care will never be needed; however if it is, being able to afford to keep a loved one at home is at the top of most clients' lists. Having a plan in place helps to relieve some of the financial stresses placed on the family.

Being a Statistic

What's being said now	What clients are thinking	What you should say
"70% of people will need some form of long-term care in their lives."	I will be one of the 30% that does not need care.	"You may never need care, but if you did, do you understand what type of impact this may have on your financial strategy?"

Many clients believe that they will never need long-term care. So using statistics to justify why they need it will not resonate with them. Connecting with them on an emotional level about what it would do to those around them if they did need care and didn't have a plan in place will resonate much more.

› GROW Your LTCi Sales

WITH MUTUAL OF OMAHA

LTCi is a product many people need, but too few own. Given the demographic shift as 70 million baby boomers enter or near retirement and with no viable government alternative on the horizon, we see LTCi as a product with incredible potential for growth.

WHAT MAKES LTCI RIGHT FOR MUTUAL OF OMAHA?

LTCi has been a core product for Mutual of Omaha since 1987. And it remains an important part of our corporate strategy to provide asset protection to middle market Americans.

LTCi is a valuable piece of the financial planning puzzle. Along with our other core products – life insurance and Medicare supplements – LTCi meets a specific need for protection as people move through the stages of their lives. And that gives LTCi the potential to become an important financial planning tool.

WHAT MAKES MUTUAL OF OMAHA RIGHT FOR YOU?

There are a lot of reasons to grow your LTCi business with Mutual of Omaha.

› Our Commitment

We're not just committed to the LTCi marketplace, we're also committed to helping you sell by providing the tips, tools and training you need to connect with customers.

› Our Strength

As a mutual company that's been around for over a century, we're not driven by short-term quarterly results that often characterize publicly-traded companies. And that allows us to make business decisions with the best interest of our policyholders – your customers – in mind.

› Our Products

We've simplified our product offering with our MutualCare® Solutions portfolio to offer benefits that are both predictable and provide substantial value to your customers, like a built-in cash benefit with no elimination period, a monthly (not daily) benefit, shorter benefit periods and lower inflation protection options. This is our focus for the future and how we plan to grow LTCi sales.

LET'S GROW TOGETHER

Even though it's been around for over three decades, LTCi is a product that's still in its infancy. It's not the same product it was when it first hit the market. And it will continue to evolve as needs change over time. With people living longer, the demand for LTC services is certain to increase. And as more and more people realize the high cost of those services and understand the importance of having something that will protect a portion of their hard-earned nest egg, LTCi will become an increasingly popular solution. So let's start growing LTCi... together!



MutualCare[®] *Solutions*

Long-Term Care Insurance



SALES & MARKETING PROCESS

1.

With You Every Step of the Way



From prospecting to policy delivery and every step in between...we provide sales and marketing materials that will lead you to the ultimate destination – an LTCi sale.

We help you:

1. Find people to talk to
2. Uncover the problem
3. Provide the solution
4. Complete the application
5. Deliver the policy

Our sales and marketing materials were created based on extensive market research conducted with LTCi buyers and non-buyers. Throw in an award winning creative team and you've got tools guaranteed to capture the attention of prospective clients and win you the sale.

STEP 1: FIND PEOPLE TO TALK TO

In talking with people who didn't own LTCi, we learned many were intrigued. They understood why they might need a policy, and wondered why no one had approached them about it. That tells us people expect to be contacted by an insurance agent. Yet in a survey of LTCi policyholders, less than one in 100 said they first learned about LTCi from an agent.

The Typical Buyer

Based on a survey of our LTCi policyholders, we found the typical buyer to be:

- ▶ Female, Caucasian; age 55 to 64
- ▶ Married with adult children
- ▶ College educated
- ▶ Working in a white-collar profession; not yet retired
- ▶ Living in a metropolitan area
- ▶ 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
- ▶ Familiar with LTC issues; knows someone (a family member or friend) who needed LTC services
- ▶ Research oriented; an online user; self-educated about LTCi
- ▶ Generally skeptical of financial advisors and insurance companies

Good Places to Find Prospective Clients

- ▶ **Current clients** – You already have a built-in pool of prospective clients. Just search your current client base for people who fit the profile of the typical LTCi buyer
- ▶ **Centers of influence** – Partner with accountants and attorneys in your area. This mutually beneficial arrangement allows them to recommend you to their clients. And in turn, you recommend these professionals to your clients who may need legal or accounting services
- ▶ **Civic organizations** – Join your local civic organizations and make yourself known to the members of your community. Offer your services as a speaker at an upcoming meeting
- ▶ **Associations** – Don't forget about the associations to which you belong. As members of the same association, you share an affinity with other members. Place ads in association newsletters and offer to speak to the membership on this important topic
- ▶ **Referrals** – Don't forget to ask everyone you talk to – family members, friends, neighbors, clients – if they know someone who could benefit from the service you provide

Marketing Tools

Our prospecting materials are designed to help you generate interest and find the right people to talk to.



MutualCare Solutions Prospecting Letter

Use this letter to pique interest in LTCi and find interested individuals who are willing to meet with you.



MutualCare Solutions Self-Mailer

Use this self-mailer to motivate people to contact you to learn more about LTCi.



TIP: The easiest place to start is with your own clients. These people already know you, trust you and value your recommendations. And that means they're the ones who will be most receptive to talking with you.

STEP 2: UNCOVER THE PROBLEM

Before you can offer a solution, you need to know the problem. In other words, what's keeping your prospective clients up at night? Find out if they are most concerned about protecting:

Their Family

In a survey of LTCi policyholders, over half of the people we talked to said they bought a policy 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. The last thing they want is for their kids to have to take care of them.

Their Ability to Stay at Home

Many people equate long-term care with a nursing home. And that's someplace they simply don't want to end up. People who purchased LTCi told us they did so to ensure they'd have the option

to receive care at home. And they felt this would allow them to maintain their personal dignity and independence.

Their Retirement Nest Egg

Let's face it. LTC services are expensive. And most people simply can't afford to pay for services out of their own pockets. Even if they have sufficient assets, those assets may not be easily accessible or they may be allocated for other things. Our policyholder survey revealed the primary reason people purchased an LTCi policy was to protect the assets they've worked a lifetime to accumulate.

Marketing Tools

We've developed needs-based materials specifically to help you uncover the problem and discuss the need for LTCi.



MutualCare Solutions Needs Brochure

Use this brochure to begin the conversation and learn what matters most to your prospective clients.



MutualCare Solutions Needs Insert-Family

Use this flyer to follow up with people who are most concerned about protecting their family.



MutualCare Solutions Needs Insert-Home

Use this flyer to follow up with people who are most concerned about remaining in their home as long as possible.



MutualCare Solutions Needs Insert-Nest Egg

Use this flyer to follow up with people who are most concerned about protecting their retirement assets.



Consumer Presentation

Use this short PowerPoint presentation to help explain the need for LTCi.



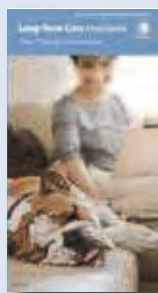
TIP: Don't jump to the solution without first uncovering the problem.

STEP 3: PRESENT THE SOLUTION

Now that you've identified the problem, it's time to show prospective clients how LTCi can help provide a solution. Our research revealed that most people don't know a lot about it. They want an agent who can provide the education they're looking for – not someone who simply wants to sell them a policy. But education doesn't mean they want to be deluged with policy details and product features. Instead, they want to know how an LTCi policy will help solve their problem and be assured they're making the right decision.

Marketing Tools

Our educational materials were carefully developed to provide the explanation people want and need. These pieces show how LTCi works and describe product features so your clients can select an appropriate policy – with your help, of course.



MutualCare Solutions Educational Brochure

Use this brochure to educate prospective clients on how an LTCi policy works.



MutualCare Solutions Secure Solution Product Brochure

Use this brochure to provide details of the MutualCare® Secure Solution product and help prospects make appropriate policy selections.



MutualCare Solutions Custom Solution Product Brochure

Use this brochure to provide details of the MutualCare® Custom Solution product and help prospects make appropriate policy selections.



TIP: Most people think LTCi is confusing. So spend time educating prospective clients on how it may be a solution to their problem.

STEP 4: COMPLETE THE APPLICATION

Once your prospective client understands how an LTCi policy will help solve his or her problem and has made the decision to buy, it's time to start the application process.

Field Underwriting

The MutualCare® Solutions Product & Underwriting Guide (M28379) contains information to help you determine whether or not your clients may be insurable. Familiarizing yourself with this information will allow you to do a thorough job of field underwriting.

- ▶ Eligibility guidelines
- ▶ Build chart
- ▶ Uninsurable health conditions and associated medications
- ▶ Medical impairments

Tips for Completing the Application

- ▶ Use the correct application and forms. Remember you must use the application for the client's state of residence
- ▶ Answer all questions and complete all necessary forms. If something doesn't apply, do not use N/A. Instead, write "no" or "none"
- ▶ If a question is answered in error, do not use white out. Instead, draw a single line through the error and have the applicant initial the correction
- ▶ Include a cover letter. The more you can tell us about the client, the greater the chance for a favorable underwriting outcome
- ▶ Indicate the best time to contact the applicant for the personal health interview
- ▶ Include your contact information so we can reach you if we have questions or need more information

Marketing Tools

Our point-of-sale materials are easy to use. The application and all required forms are located together in the app pack for the state you select. We also provide a handy flyer to help you explain the underwriting process so your clients know what to expect after they sign on the dotted line.



MutualCare® Solutions Application

Use this application for two applicants who are applying at the same time. Be sure it is completed accurately and thoroughly to reduce delays and ensure the policy can be issued as soon as possible.



Next Steps Brochure

Use this brochure to help clients understand what happens next. Walk them through the underwriting process and help them prepare for the health interview.



TIP: Don't forget to give every applicant the required Outline of Coverage and Shopper's Guide.

STEP 5: DELIVER THE POLICY

Delivering the policy helps you cement the sale and build long-term client relationships. Use this opportunity to remind your clients how an LTCi policy can help provide a solution to their problem.

Marketing Tools

Our policy delivery jacket is intended to allow you to put together a professional looking packet to leave with your new client.



Policy Jacket

Use this policy jacket to house all pertinent information, such as a cover letter, your business card and notes on how the policy fills the client's need.



TIP: Policy delivery is a perfect time to remind clients of the value you provide and ask for referrals.

How to Get Marketing Tools

We've created a variety of marketing tools – brochures, flyers, letters and more – to support your efforts through every step of the LTCi sales process. You can order the materials you need through your normal ordering channel.

Questions

If you have questions about steps in the sales process or any of the marketing tools available, contact your Sales Support team. They're available Monday through Friday from 7:30 a.m. to 5:30 p.m. (Central time).

sales.support@mutualofomaha.com.



Long-Term Care Insurance

Tax Advantages for Business Owners

Depending on the tax-structure of your business, there may be significant tax savings when you use business dollars to purchase long-term care insurance.

- Premiums may be tax-deductible**

Under current tax laws, you may be able to deduct either the **actual premium** or **eligible premium** paid on a tax-qualified long-term care insurance policy.

Actual premium is the actual amount paid for a long-term care insurance policy

Eligible premium is an amount determined annually by the federal government

- Policy benefits may be tax-free**

Benefits paid by a tax-qualified long-term care insurance policy are intended to be tax-free as long as they do not exceed the greater of qualified long-term care daily expenses or the per-day limitation, which is

\$340 in 2016. Source: Section 7702B of the Internal Revenue Code (IRC)

The Tax Advantages of Long-Term Care Insurance		
For Your Business	Self-Employed Business Owners (Sole Proprietor, Partnership, LLC, S Corporation)	Owners of C Corporations
	<p>Eligible premium may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> • Owner • Spouse • Dependents <p>Actual premium may be tax deductible when the business purchases long-term care insurance for:</p> <ul style="list-style-type: none"> • Employees 	<p>Actual premium may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> • Owner/Employee • Spouse • Dependents • Employees

Eligible Premium Guidelines for 2016	
At age:	You can deduct:
40 and younger	\$390
41-50	\$730
51-60	\$1,460
61-70	\$3,900
71 and older	\$4,870

Source: IRS Revenue Procedure 2015-53

Eligible premiums are established annually based on the medical care components of the Consumer Price Index.

The information provided is not intended to be tax advice. Consult your tax advisor to determine the tax benefits for your business.

NOTE: Certain employers are governed by the Employee Retirement Income Security Act of 1974 (ERISA) when “sponsoring” a long-term care program (i.e., paying a portion of the premium, endorsing or promoting solicitation of the coverage during work hours, etc.). Whether ERISA applies to your employee benefit program depends on your unique situation. Therefore, Mutual of Omaha will not determine whether your business must comply with ERISA. Please consult a tax advisor or other qualified professional.

In addition to ERISA, many state regulations also have limitations which would require compliance for employers with as few as five employees. Federal and state laws should be evaluated to determine limitations for employer groups. Again, a tax advisor should be consulted. Our Long-Term Care insurance policy premium rates are gender-based. Therefore it is not designed to be compliant with ERISA or Title VII or similar state laws and generally is not appropriate for an employer sponsored plan. Please consult a legal or tax advisor or other qualified professional for more information.

Long-term care insurance is underwritten by Mutual of Omaha Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175, 1-800-775-6000. Policy form: LTC13 (or state equivalent). In CA, LTC09-CA; in FL, LTC13-FL; in NY, LTC13-NY. This policy has exclusions, limitations, reductions and terms under which the policy may be continued in force or discontinued. For costs and complete details of coverage, call your agent/producer or write to the company.

This is a solicitation of insurance. You may be contacted by telephone by an insurance agent/producer.

Consumer **Study**

Understanding Long-Term Care Buyers



HEARTS & MINDS



Getting Into the Hearts and Minds of Long-Term Care Buyers

At Mutual of Omaha, our goal is to help you find the right people to talk to about long-term care insurance – those who are most likely to buy a policy from you.

In an effort to identify the right people, we initiated a research project to get into the hearts and minds of long-term care buyers. We wanted to know who they are, why they buy (and why they don't) and what steps they take to educate themselves before making a buying decision. We also wanted to know how they feel about long-term care insurance, how much they understand about the risks they face and how they prefer to buy.

So we surveyed our own long-term care policyholders as well as people who own policies from other companies. And we conducted focus groups made up of long-term care buyers and non-buyers. This is what we learned.

Phase One – Minds

The first phase of our research was to get into the minds of actual long-term care policyholders to learn more about who they are. We also wanted to know about the life events that triggered their purchase and the educational process they went through prior to purchasing a policy. We commissioned the MSR Group to conduct a telephone survey with our own policyholders as well as people who owned policies from other companies. From that research, we discovered most people who purchase long-term care insurance share certain similarities. And that allowed us to build a profile you can use to identify the type of people who are inclined to buy.

The typical long-term care buyer

- Female, Caucasian, 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

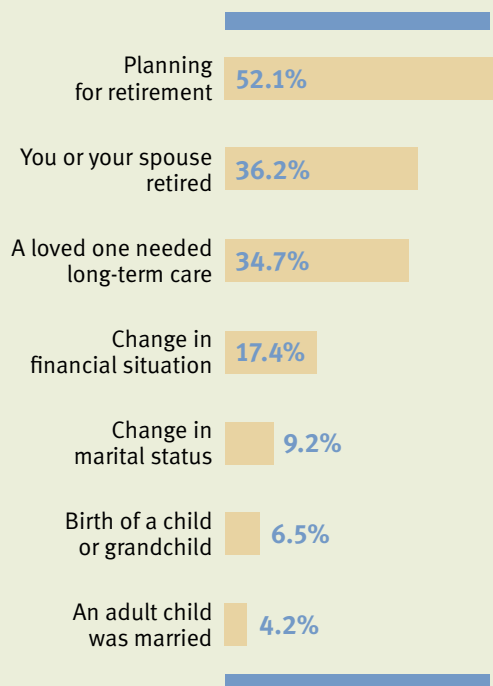
What this means for you

Armed with this information, you can start looking for people who fit the profile. The easiest place to start is with your existing client base. These folks already know you, trust you and value your recommendations. So they should be receptive to talking with you about long-term care. In addition, the profile will help as you prospect for new clients. Just be on the lookout for individuals or groups of people with these characteristics.

Primary reason for purchasing long-term care insurance



Life events that triggered the purchase



Life events that trigger the buying decision

We wanted to know why people purchased long-term care insurance when they did. What was going on in their lives at the time? Was there an event that triggered a buying decision? We discovered two important reasons people bought their policies when they did – they were either getting ready to retire or they knew someone who had experienced a long-term care situation.

Retirement – We found that either planning for retirement or entering retirement was a primary motivator for most people. Those nearing retirement seemed to know it was time to start planning for the future.

“I was retiring and I felt it was time to do it [purchase long-term care insurance].”

Mutual of Omaha Policyholder

First-hand Experience – We also discovered that many people were influenced by a loved one who needed long-term care services. This first-hand experience with a long-term care situation made many people say, “I don’t want that to happen to me.”

“I’m going through it with my mother right now – trying to pay her bills and make sure her money lasts as long as possible. It [long-term care insurance] just gives me peace of mind to know my kids won’t have to take care of me.”

Mutual of Omaha Policyholder

What this means for you

Understanding the life events that most often trigger a buying decision will help you recognize people who are facing the same issues. And that will give you the perfect opening to talk with them about planning for their long-term care needs. Focus on how long-term care insurance can help protect retirement assets, preserve independence and provide peace of mind.

52

The percentage of long-term care policyholders who said they have provided care for someone with a chronic illness or disability.

How people educate themselves

The first step in the buying process is most often a discussion about long-term care insurance among family members or friends. From there, people educate themselves by reading brochures, newspapers and magazines. They also search for information online. Many also turn to an agent, broker or financial advisor for information.

What this means for you

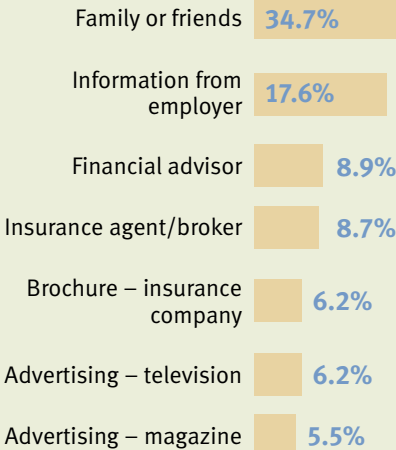
Most people want to make an educated buying decision and they're looking to you to provide the education they need. While many people initiate contact with an agent, there's no need to wait for them to do so. Just knowing that there are people out there eager to learn about long-term care insurance should be motivation enough for you to start making contacts.

55

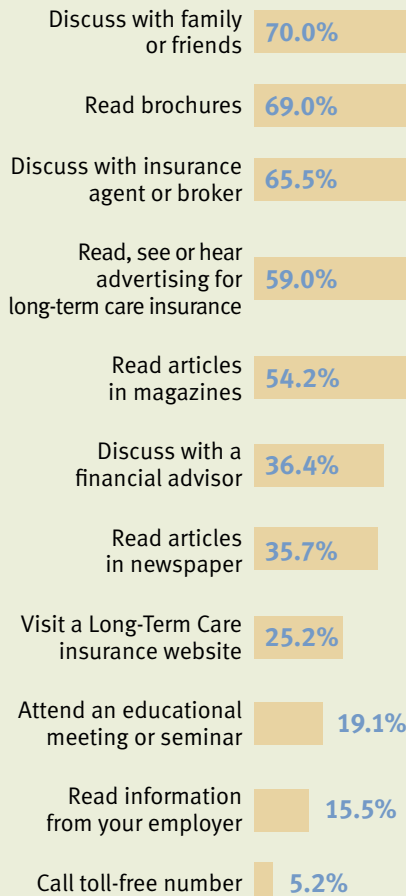
The percentage of people who made the first contact with an agent.



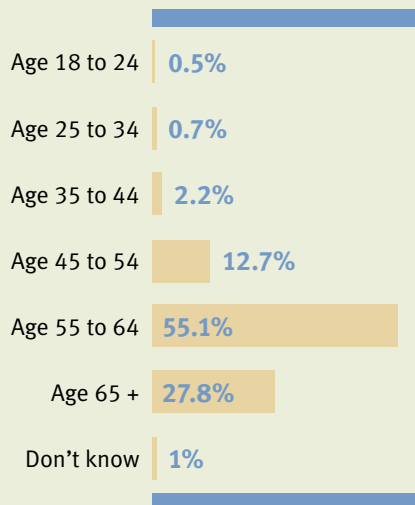
Where first learned about long-term care insurance



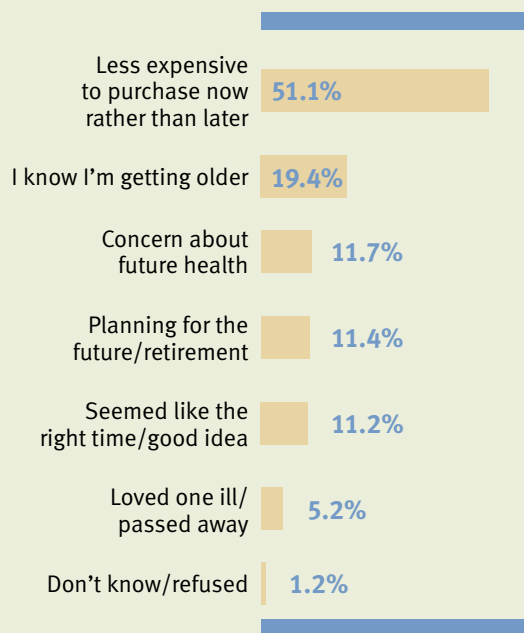
Education during the purchase process



Age at purchase



Reason for purchasing now rather than later



60

The average age of a long-term care purchaser.

70

The percentage of people who discussed buying long-term care insurance with family members or friends.

Why they purchased when they did

More than half of the Mutual of Omaha policyholders we surveyed reported they purchased long-term care insurance between the ages of 55 and 65. When asked why they purchased a policy when they did rather than waiting, most people said they were aware that the cost of long-term care insurance increases with age.

"I knew the sooner I got it, the less expensive it would be."
Mutual of Omaha Policyholder

What this means for you

Knowing that people realize the cost of long-term care insurance is based on age gives you a perfect opening to discuss the cost of waiting. Show them how every year they wait, the cost goes up. Then explain that the longer they wait, the greater the chance their health will change. And if that happens, they may not be able to buy a policy at any cost.



Phase Two – Hearts

The second phase of our research was to delve into the hearts of long-term care insurance buyers and non-buyers. We wanted to learn about the attitudes and emotions surrounding the decision making process. So we commissioned LIMRA to conduct a series of focus groups that included both long-term care insurance buyers and consumers who matched our profile of likely buyers.

Dreams, worries and fears

The people we talked to in the second phase of our research shared many of the same aspirations for retirement – relaxation, travel, owning beach or mountain homes, golfing, pursuing hobbies, volunteering and spending time with family and friends. Yet all seemed to recognize there are threats to their retirement dreams. They worry about increasing longevity, a lack of money and declining health. Many also said they fear the social safety nets that helped past generations cope with prolonged illness or injury are disappearing.

“It seems like a lot of the safety nets out there are unsustainable, so as I get closer to retirement, I wonder if they are going to be there.”

LTCi Buyer – Omaha

What this means for you

Understanding what keeps people up at night allows you to address their specific concerns. Get them to talk about their dreams for retirement, their worries and their fears. Then show them how a long-term care insurance policy can help protect their retirement dreams. And that should help put the fears to rest.

Risks and rewards

While most people acknowledge that planning for long-term care is important, they don't have a clear understanding of the risks associated with a long-term care event. Most people can tell a story about a family member or friend who suffered from a long-term illness or disability, but their knowledge tends to be limited to that particular situation. So we presented them with some basic long-term care statistics:

- 1 in 5 households provide long-term care to someone over age 18
- 75 percent of people over age 65 eventually will need long-term care
- The average cost of nursing home care is \$80,650 per year
- The average nursing home stay is 3 years
- 50 percent of people entering a care situation are penniless within one year

They seemed a bit stunned to learn the impact of a long-term care event. On the flip side, they asked to hear real-life stories about how long-term care insurance helps people. Like statistics, they feel testimonials describing the hardships that are eased by a long-term care insurance policy would help them put the product into the proper context.





“You hear a lot of statistics that are always negative. Ain’t it awful what’s going to happen? I’d like to see the other side – how it [long-term care insurance] takes the burden off of you so you can go forward.”

LTCi Buyer – Phoenix

What this means for you

It’s clear that most people don’t fully understand the risks associated with long-term care. And while industry data (and focus group participants) tell us statistics alone don’t sell, they still may be useful in helping people understand the importance of taking action. The important thing to remember is not to use statistics to scare prospective clients. What they really want to hear are your positive stories about how long-term care insurance protects people from these risks.

Education and guidance

Buyers and non-buyers alike admit they aren’t very knowledgeable about long-term care insurance. Many confuse it with long-term disability insurance. They describe long-term care insurance as having many moving pieces and say they feel lost about how to evaluate what plan or features they should select. One thing that came through loud and clear in our research is that they want someone who can educate and advise them about long-term care issues as opposed to someone who simply wants to sell them a policy. But that doesn’t mean they want to be deluged with policy details and product features. Instead, they want to know how long-term care insurance will solve their problem and be assured they’re making the right decision.

“I was going to buy a long-term disability policy. But I ended up buying a long-term care policy and it’s because I had someone tell me, “You don’t want to buy long-term disability. What you really want is long-term care.” He had to explain to me over and over and over why I wouldn’t want to replace my income versus getting care.”

LTCi Buyer – Phoenix

What this means for you

This admitted lack of knowledge gives you the perfect opportunity to educate prospective clients. However, education at the time of the sale is not what they’re looking for. Focus group participants suggest there may be neutral venues (think educational seminars) in which a salesperson could present information in a non-threatening way in order to get people thinking about the importance of owning long-term care insurance. Just remember that people are looking for guidance. They’re eager to learn, but they don’t want to be sold.

Motivation to buy

Focus group participants who own long-term care insurance say they were moved to buy a policy after seeing a friend or relative who experienced a long-term care situation or they simply wanted to avoid entering retirement unprepared. They told us purchasing long-term care insurance allows them to:

- Protect their assets
- Avoid becoming a burden to their family
- Ensure they receive care in a quality facility
- Ensure they have options for care
- Maintain personal dignity and independence
- Have peace of mind

"My mother had a policy. After my father passed away, every time we went to visit she said, 'I got this long-term care policy and here it is... it's in the drawer so you know exactly where it is.' Every single time! She died without using it, but the peace of mind was well worth every penny she paid for it."

LTCi Buyer – Atlanta

What this means for you

Hearing in their own words why people purchase long-term care insurance likely confirms many of the things you already know. And that's good news. People buy policies to protect their assets and leave a legacy for their kids or to avoid having to rely on family members to care for them. This allows you to focus your educational and sales efforts on these two important issues so you can guide potential buyers to the conclusion that long-term care insurance is their best solution.

Lingering questions

While many non-buyers said they find the concept of long-term care insurance appealing, they wonder why no one has approached them about it. They also admit to having many unanswered questions:

- Is it affordable?
- Is it the best way to protect my assets?
- How do I make sense of this complicated product?
- What's in the fine print?
- When is the best time to buy?
- Will the benefit level be enough when the time comes?
- Am I not already covered?
- What if I never need it?
- Why has no one approached me about it?

"I've never had anybody sit me down like they do with other things and say this is something you should give serious consideration to. There are a lot of other things they give advice on, but I've never been approached about this."

LTCi Non-Buyer – Phoenix





What this means for you

People are skeptical about long-term care insurance. They don't know much about it, which leaves them with a lot of unanswered questions. At the top of the list is affordability. And that gives you the perfect opening to address the options available to help pay for long-term care services – self-funding, government programs and long-term care insurance. Understanding their concerns allows you to be prepared to answer questions and turn non-buyers into buyers.

Holding hands

For many, the buying process was lengthy. One participant said it took her a year to reach a decision. People are easily confused by long-term care insurance and they want someone to hold their hand. They want an agent to be able to explain it to them in simple terms and reduce their decision making to a few key questions. And since asset preservation is the primary reason given for owning long-term care insurance, they want to work with someone who has a broad knowledge of wealth management – an agent who understands the financial issues seniors face and can integrate long-term care insurance into their overall financial plan.

"I found I was putting it off [buying long-term care insurance] because I knew I wanted to do research and it wasn't a decision I wanted to make lightly. My financial planner had been talking to me about it for a long time and she recommended a broker. He went through the same process and it became clear what my options were. I was able to make a decision. But I don't think I could have gone through it alone."

LTCi Buyer – Phoenix



What this means for you

Clearly, people value the services of an agent. Purchasing long-term care insurance isn't something they feel they can do on their own. They need your advice and expert guidance. Make yourself more valuable by becoming a senior market expert who understands the issues seniors face. Provide the education they need and explain the product to them in simple terms. And most of all, take your time and be patient. Long-term care is a process – not a one appointment sale.

One final note

Focus group participants told us they expect the agent advising them to own a policy. Many said they would ask the question, and if the agent didn't own long-term care insurance, they would look for an agent who did.

About Mutual of Omaha

Mutual of Omaha has been marketing long-term care insurance since 1987, and it remains a core product for us today. As a mutual company, we're not driven by the short-term quarterly results that often characterize publicly-traded companies. Our conservative business philosophy has allowed us to learn, adapt, survive and thrive in an industry that's constantly changing.

"[I chose to buy a policy from the company I did because] it was the best value for the money and it met our needs. The plan they offered made sense for us. And [the company] is highly rated for financial security and stability."

Mutual of Omaha Policyholder

About the Research

This report draws results and insights from two research projects conducted on behalf of Mutual of Omaha.

Long-Term Care Insurance Survey conducted by The MSR Group

Between May 16 and June 13, 2010, The MSR Group conducted a national CATI (Computer Assisted Telephone Interviewing) survey with 403 Mutual of Omaha long-term care insurance policyholders and 385 people who owned long-term care policies from other companies.

Long-Term Care Focus Groups conducted by LIMRA

During June 2011, LIMRA conducted a series of six focus groups, three with buyers of long-term care insurance and three with consumers who matched the profile of likely buyers. The focus groups were conducted in Atlanta, Omaha and Phoenix.



A Tool for your Success



Annuity Long-Term Care Combination

The Problem:

Client is concerned about long-term care costs, as they have had parents who depleted finances to fund long-term care coverage.

- Stand-alone LTC policies are a "Use it or Lose it" type of policy
- Rate increases have become prevalent

Made Simple:

A 65-year-old client has a CD that's maturing, although the money isn't needed for any immediate expenses. The client purchases a Mutual of Omaha LivingCare annuity policy. Using \$100,000 from the maturing CD, client receives two benefits with the LivingCare annuity.

First, client has a traditional annuity with a guaranteed interest rate and 10% free withdrawal provision. Second, and most important, client instantly creates a \$300,000 pool of benefits for long-term care costs that, if used, are withdrawn on a tax-qualified basis.

Benefits for the client:

- Premium triples for long-term care benefits
- Minimal underwriting (no exam)
- Traditional annuity

Benefits for the Broker:

- Able to provide a multi-function policy
- Covers a long-term care need

If you're interested in learning how you can make this part of your sales process, call **(800) 823-4852** to speak to your Pinney Brokerage Director for more information.

A Tool for your Success



Long-Term Care with Informal Caregiver Benefit

The Problem:

Your clients have worked hard to build assets for retirement and to pass on to their children. Now they're concerned that the need for long-term care services could significantly deplete those assets. They know they'll eventually need help to remain in their home; fortunately, their children are willing to help.

However, the children are concerned with the economic impact they may face taking time off work, paying for prescriptions, and providing homemaker services like cooking, cleaning, and shopping for groceries.

Made Simple:

Using a stand-alone long-term care policy with an Informal Caregiver Benefit can provide the peace of mind your clients and their children seek.

- This benefit will pay 25% of your client's home health-care daily benefit amount for the services of an informal caregiver not living with them at the time of claim, even if the informal caregiver is a family member.
- Family members can make daily visits to provide homemaking services, such as cooking, cleaning, and shopping for groceries - and there's no limit to the number of visits they can make.
- The benefit is payable in addition to any formal caregiver services. For example, if your clients have a \$100 home-care daily benefit, \$75 per day would be available for formal care and \$25 for informal care.

Benefits for Clients:

- Provides an available pool of money specifically set aside to cover long-term care needs.
- Allows aging parents to stay in their home where they are most comfortable and allows family members to be compensated for informal care given to support their parents or grandparents.
- Prevents savings and monies designated to pass to children and grandchildren from being depleted to pay for care.
- Allows more assets and benefits to be transferred to children and grandchildren during care and at death.

Benefit for Broker:

- Allows for multiple product and planning sales.
- Protects AUM from liquidation in the event long-term care is needed.
- Involves multiple generations in the planning process and provides access to additional family member prospects.

Our sales team can help you prepare presentations for your clients using this concept. For more information, call us at **(800) 823-4852** and ask to speak to your Pinney Brokerage Director.

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Providing All the Tools for Your Successsm

Pinney Insurance

Founded in 1972 as a Transamerica branch office and later incorporated as Pinney Insurance Center, Inc., we are headquartered in our own building in Roseville, California. We provide a small local agency feel with the power of a major national firm.



Pinney has expanded into a national distributor with thousands of contracted agents and offices in California, Illinois, Maryland, North Carolina, Oklahoma, Pennsylvania, Texas, Washington, and Mississippi. Pinney represents over 100 life, annuity, disability, and long-term care companies with the intent of providing our clients & partners with the best possible product solutions at the lowest possible costs. Email [Brokerage Sales Support](#) or contact one of our Brokerage Directors today at 800-823-4852.

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