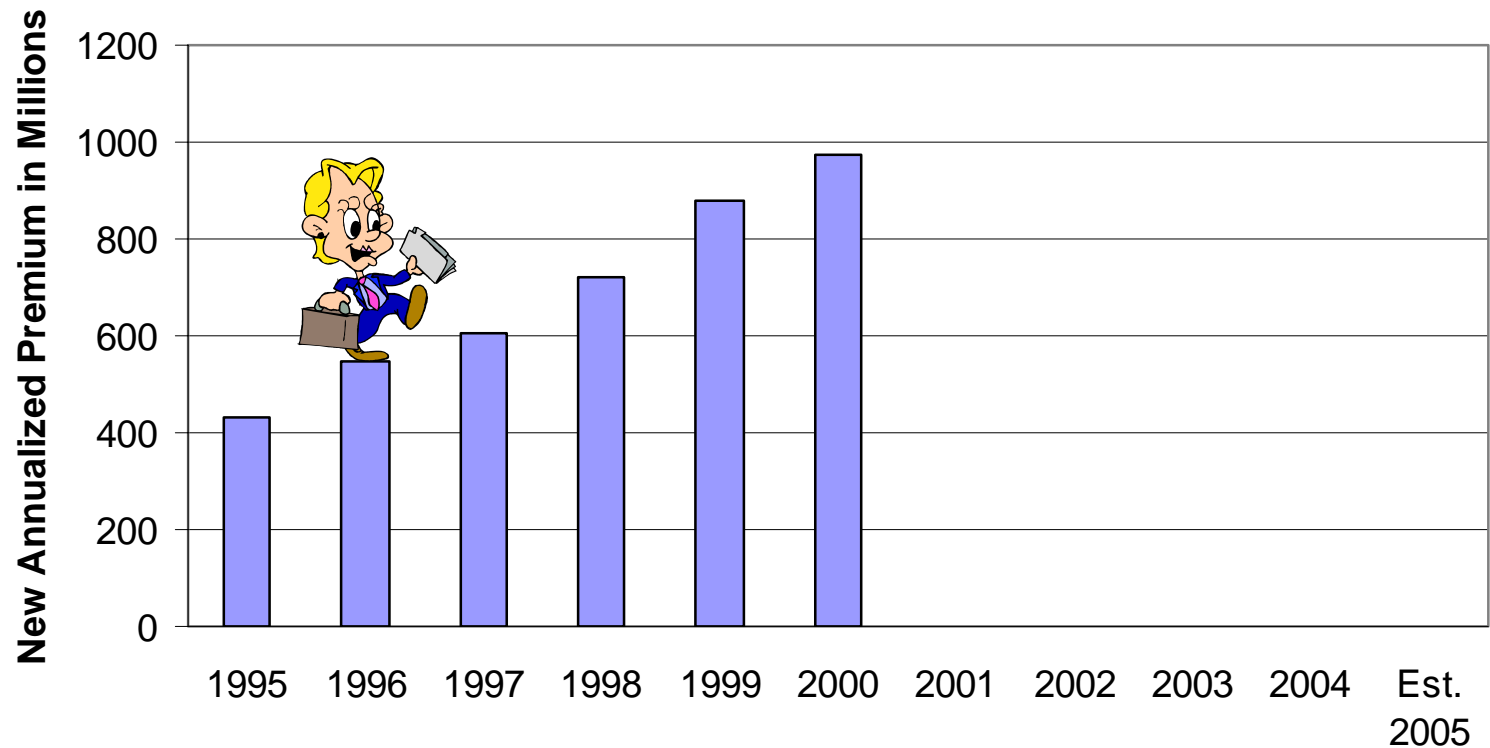


Book Value

**Maximizing What You Have
and Preserving It for Future
Income**

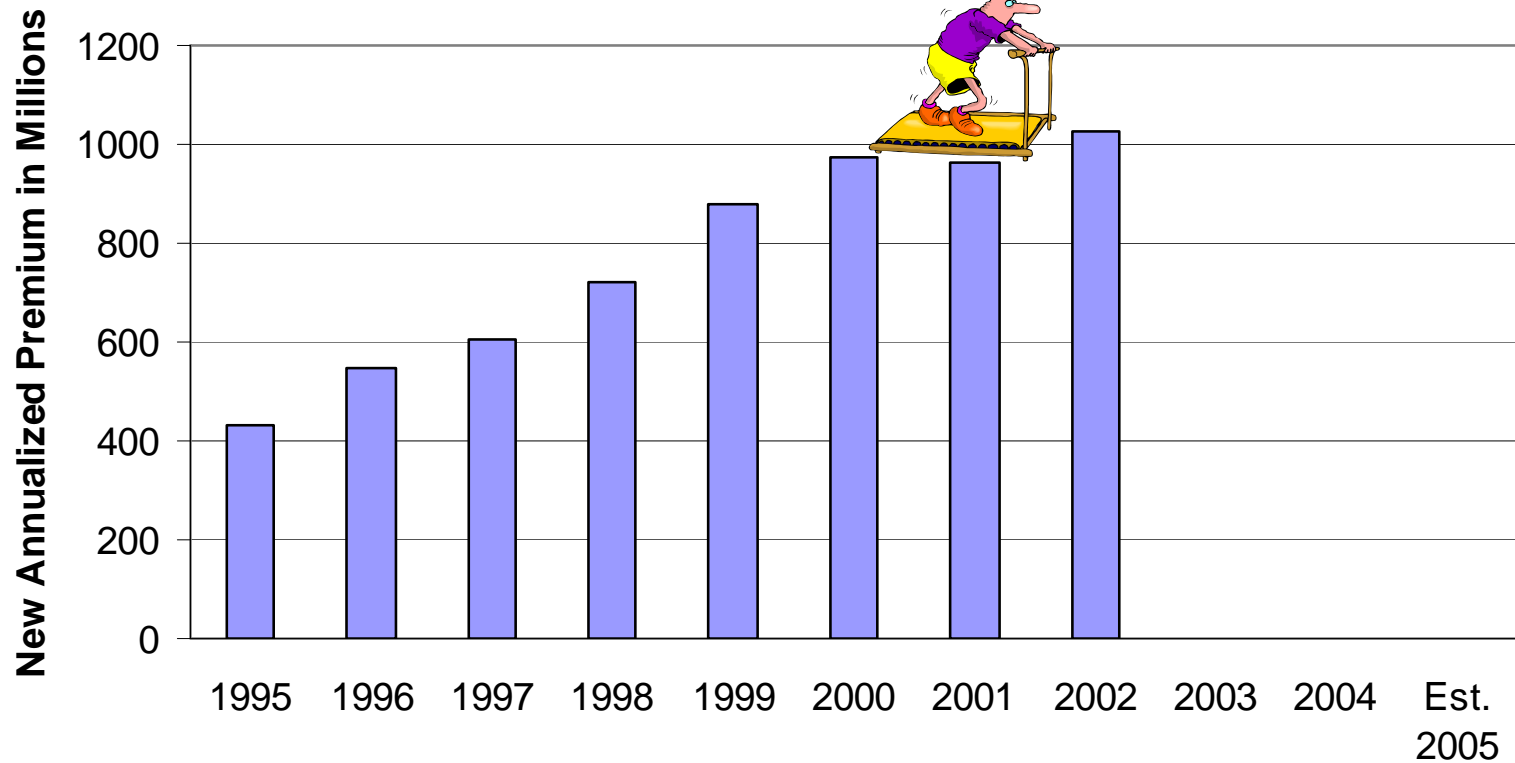
Why Am I In This Business?

LTC Industry Sales



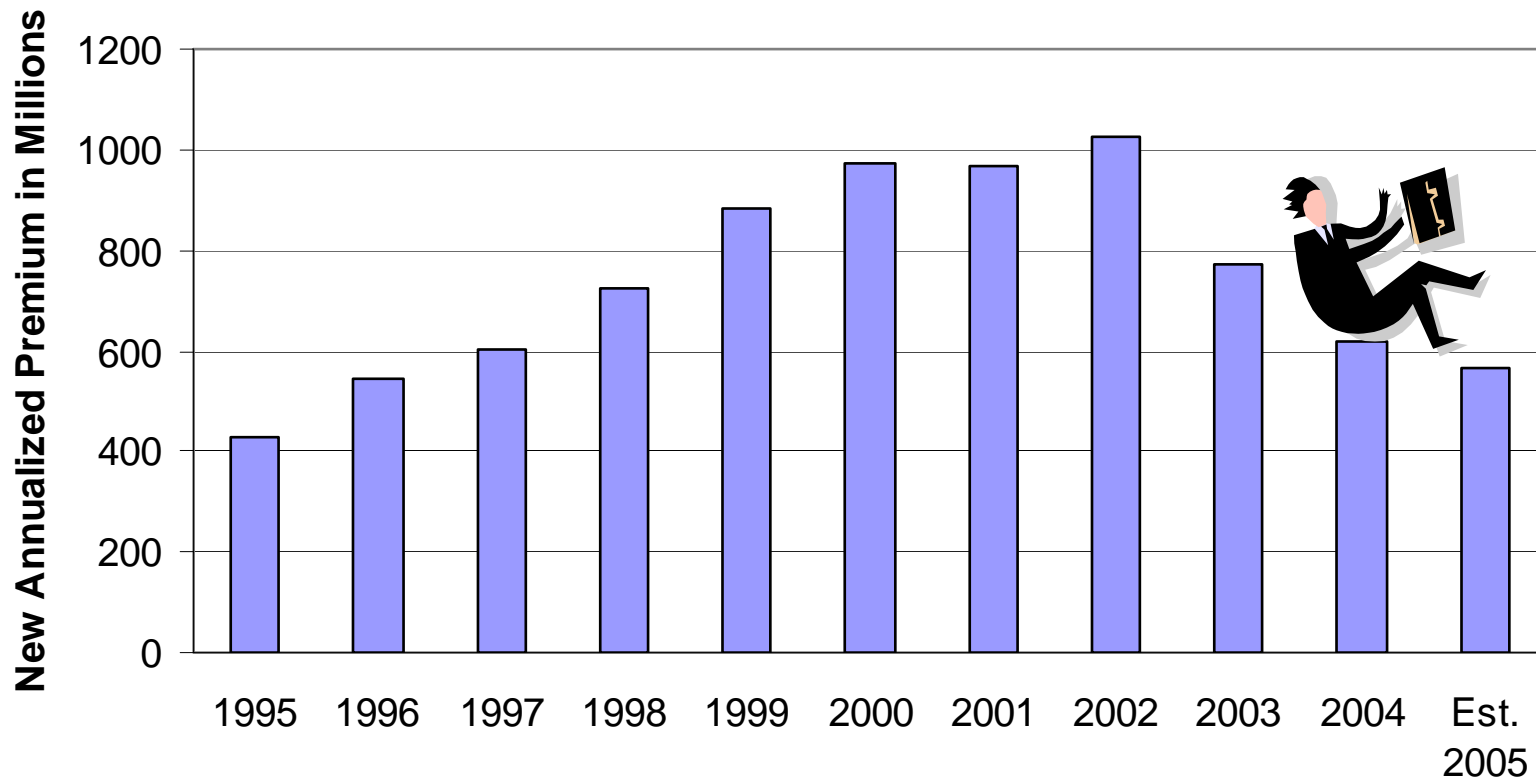
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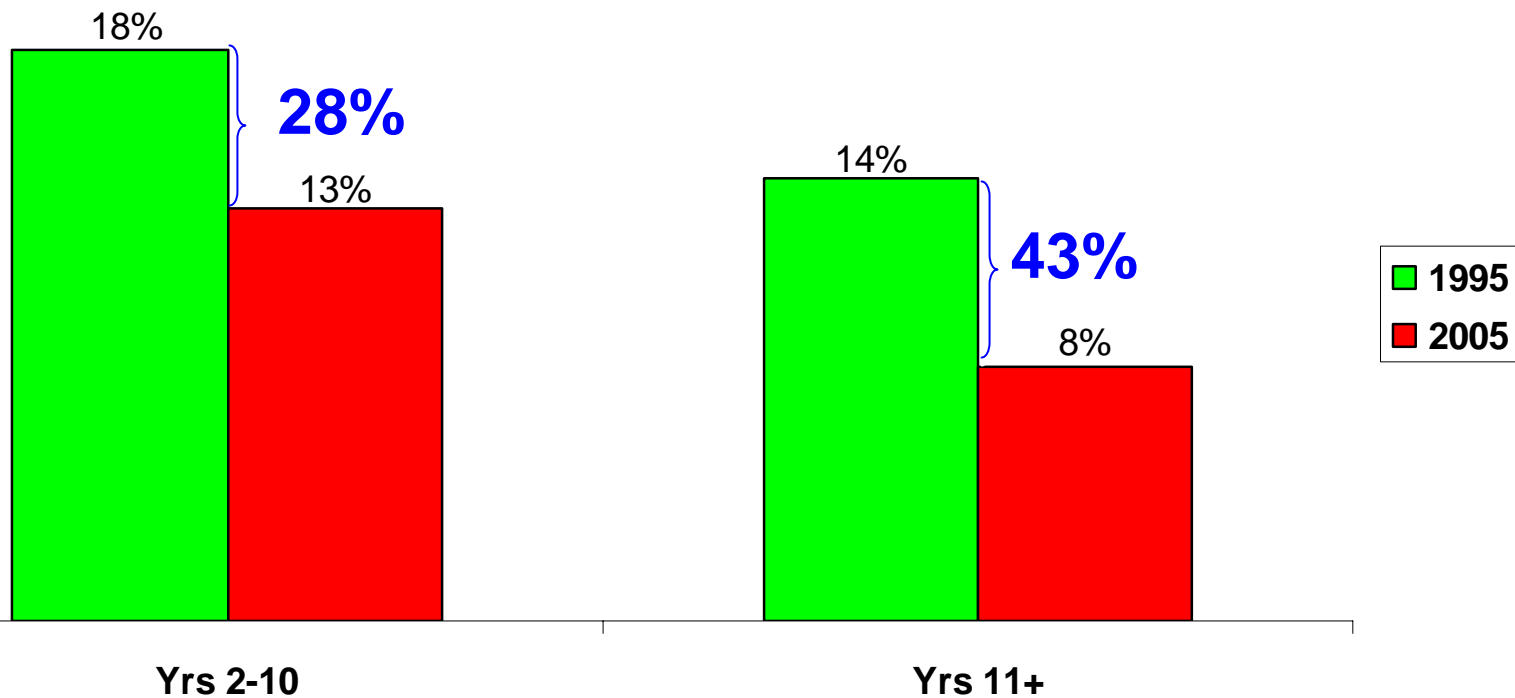
Why Am I In This Business?

LTC Industry Sales



Who Took My Cheese?

Renewals

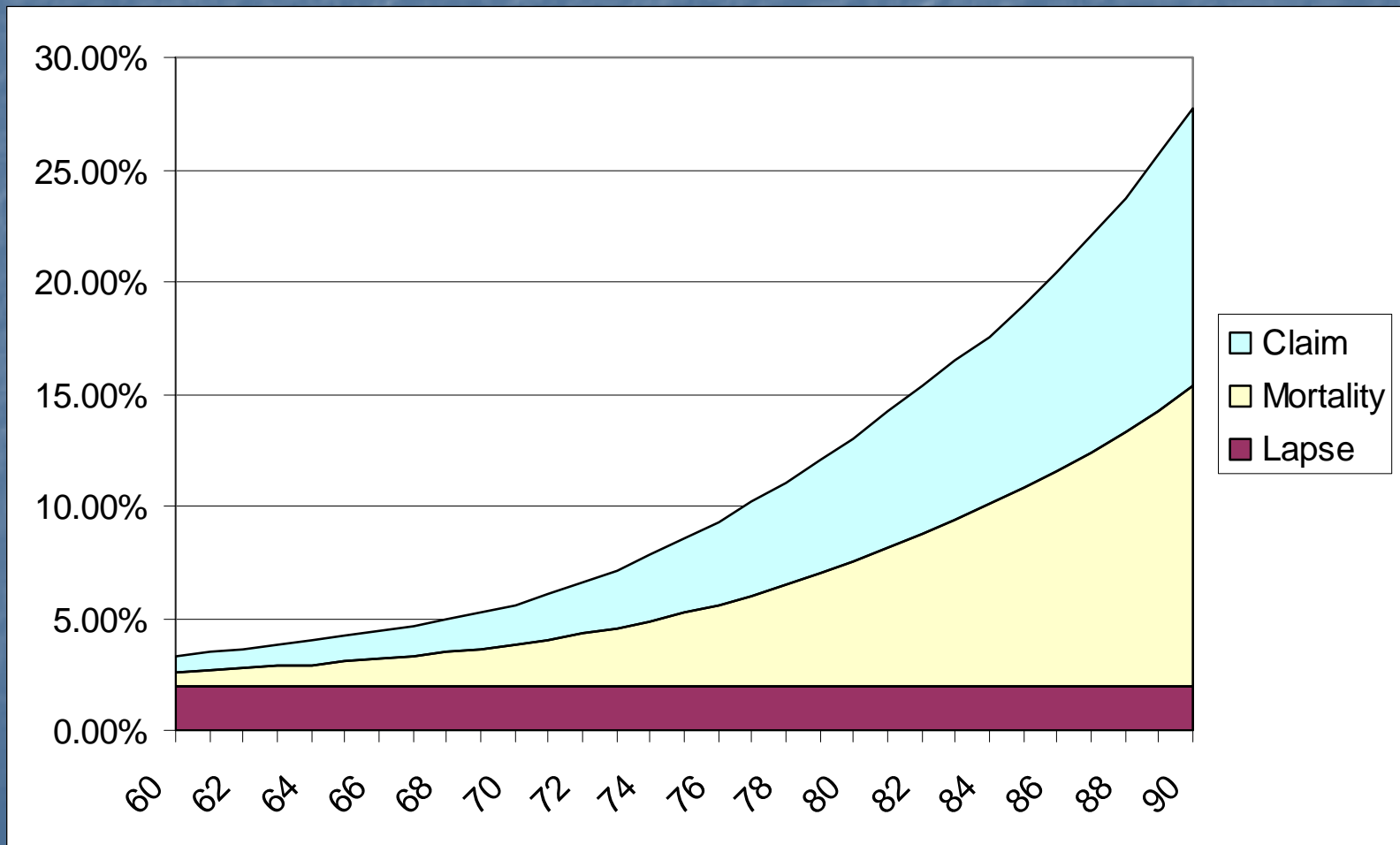


Renewal Commission Rates

Working Harder; Not Smarter

**It costs 60% more to
generate a \$1 of premium
from a prospect age 55 than a
prospect age 65**

Just as Sure as Death and Taxes



Jack Welch's Five Steps to a Winning Strategy

- What Does the Playing Field Look Like Now?
- What Has the Competition Been Up To?
- What Have You Been Up To?
- What's Around the Corner?
- What's Your Winning Move?

You're Making Money, Right?

	Year
Revenue	\$ 1,620,000
Expense	\$ 1,425,000
Pre-Tax Income	\$ 195,000

Is New Business Costing Too Much?

	First Year	Renewal	Total
Production	2,800,000		
Premium	2,800,000	24,000,000	26,800,000
Net Commission	420,000	1,200,000	1,620,000
Commission Rate	15 %	5 %	6 %
Expense	1,350,000	75,000	1,425,000
Pre-Tax Income	(930,000)	1,125,000	195,000
1 st Year Termination	10 %		
1 st Yr. Inc./Renewal Stream		7.4	

5 Numbers You Should Know

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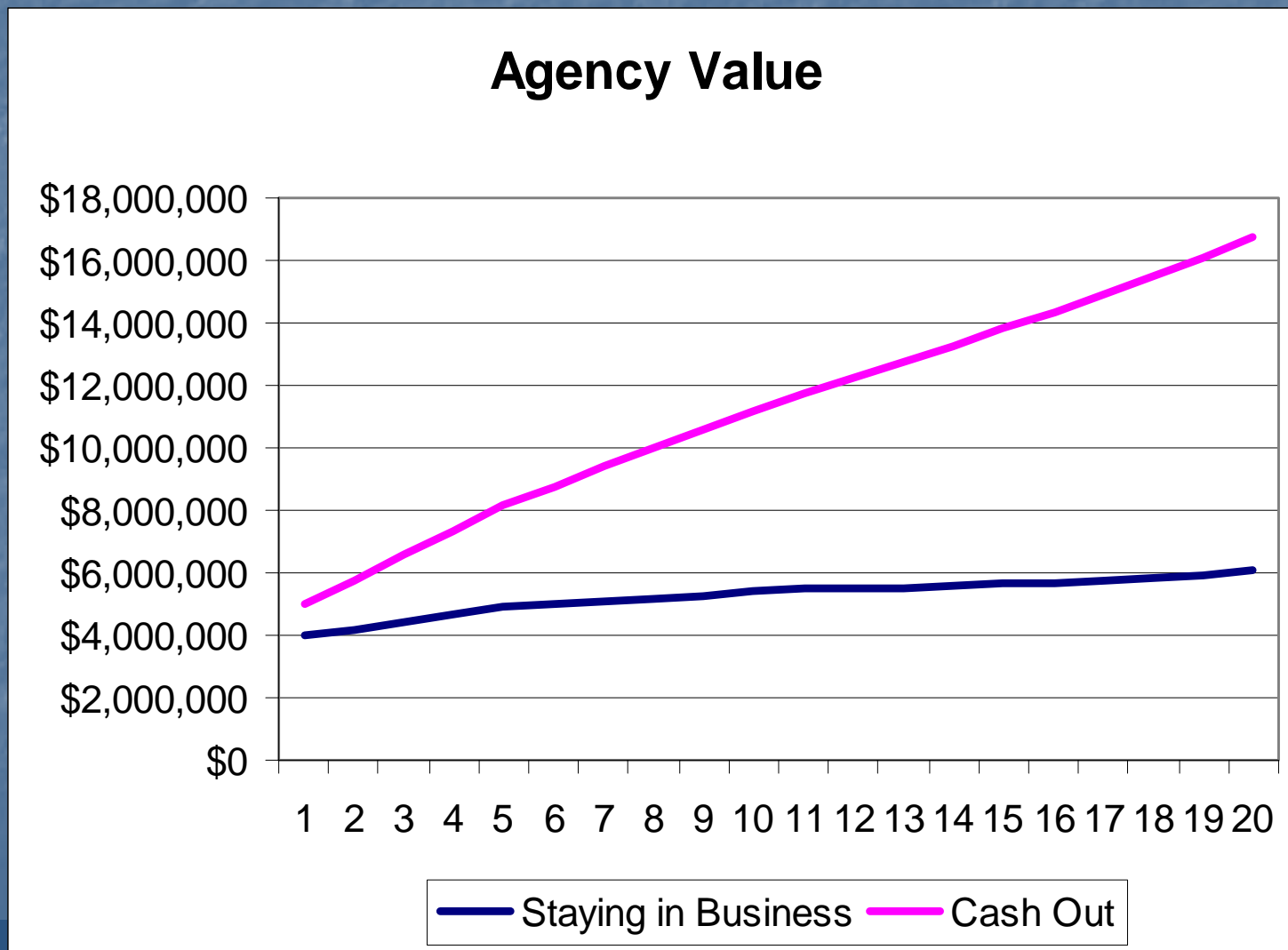
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$$= 1^{\text{st}} \text{ Year Income} / (\text{Production} \times \text{Renewal Commission Rate} \times (1 - 1^{\text{st}} \text{ Year Termination Rate}))$$

Another View



Is My Net Worth Increasing?

If the Ratio of 1st Yr Income to
Renewal Stream Is:

- 3 = Yes
- 4 = Maybe
- 5 or Greater = No

A Sad Reality

- Do you want a 50-200% increase in income?
- Solution: Retire
- For most agencies "Net Pre-Tax Income" is only 40 – 65% of Renewal Commissions

Alternative: Change

- **Make More Money from Inactive Agents**
 - Implement a Buy Out program
- **Change Product Direction**
- **Change Business Model**
- **Get Expenses in Line with Production**
- **Retire or Partially Retire**

How Retired Do You Want To Be?

- **Sell Corporation**
 - Capital Gains Treatment
- **Sell New Business; Sell Renewals**
- **Sell New Business; Keep Renewals**
- **Diversify your source of income**
 - Sell Renewals from 1 of your Carriers

The logo features the letters "LTC" in a bold, serif font. A thin horizontal line extends from the right of the "C", and a wavy line descends from the left of the "C", passing through a small red dot. The text "Global Solutions" is written in a smaller, italicized serif font below the horizontal line.

LTC

Global Solutions

Thank you all for attending

Tom Skiff

President & CEO

LTC Global Solutions

(888) 558-4446

www.LTCGlobalSolutions.com