



# Genworth Financial

Lori Watson, LTC Claims Practices Leader

Home Health Care Utilization

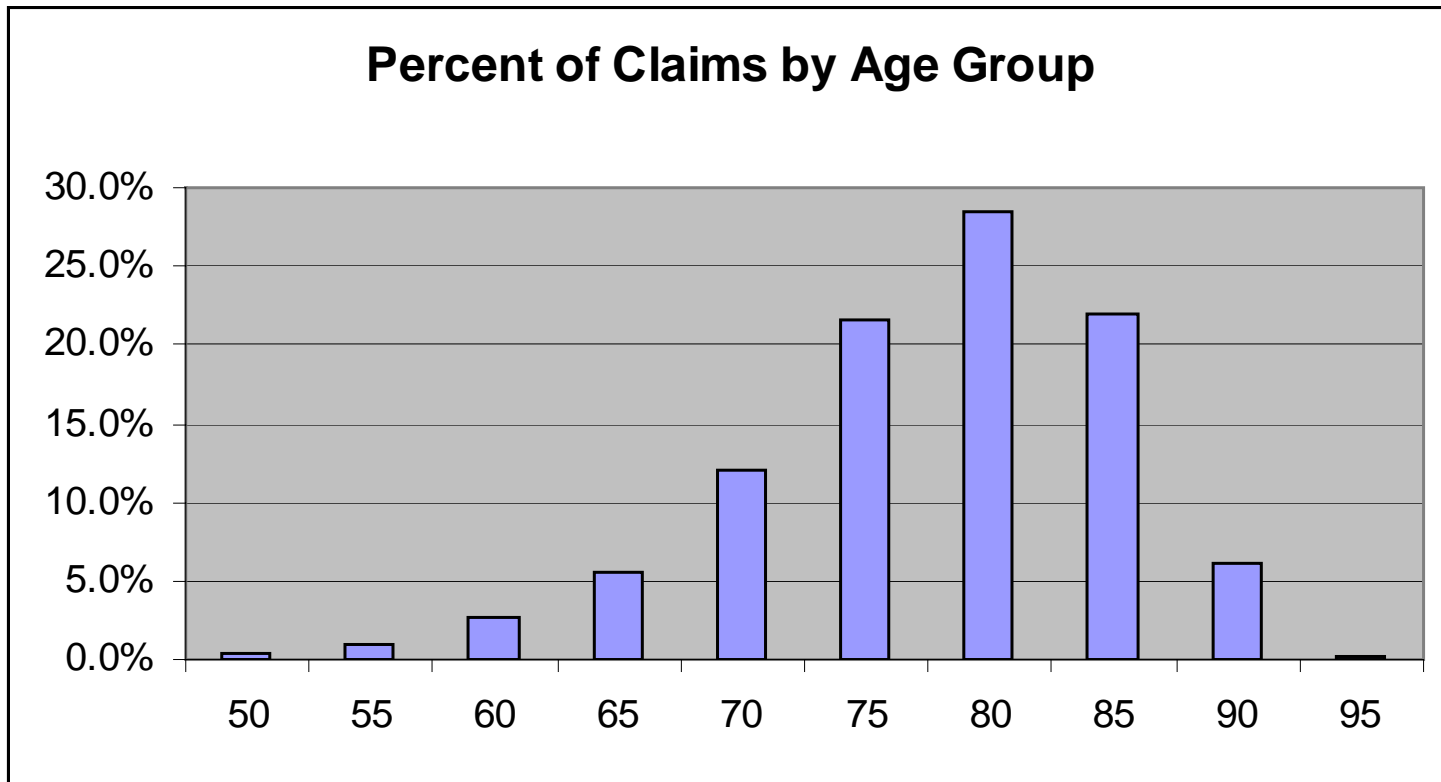
Jesse Slome Summit

February 25, 2008

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# GNW Reimbursement Claims

## Age at Claim



\*Married women tend to claim at an earlier age than single women and men.

# GNW Reimbursement Claims

## Benefit Usage

	<i>First Benefit</i>	<i>Last Benefit</i>
Home Health Care	<b>74%</b>	<b>65%</b>
Assisted Care Facility	<b>12%</b>	<b>17%</b>
Nursing Home	<b>14%</b>	<b>18%</b>

## Claim Close Reason

	<i>Death</i>	<i>Recovery</i>	<i>Exhaust</i>
Home Health Care	<b>47%</b>	<b>42%</b>	<b>4%</b>
Assisted Care Facility	<b>60%</b>	<b>11%</b>	<b>24%</b>
Nursing Home	<b>74%</b>	<b>10%</b>	<b>14%</b>
All Claims	<b>53%</b>	<b>33%</b>	<b>8%</b>

Data as of 12/31/2007

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# GNW Reimbursement Claims

## Claim Duration

**46% of claims last less than one year due to:**

- short recoverable illness
- sudden terminal illness
- Single use of non-caregiving benefits (equip, training, etc)

**The average length of claims that last more than a year is 3.8 years**

**12% of claims will last more than 5 years**

### Type of Care

	< 1 year	> 1 year
Home Care	85%	49%
Nursing Home	10%	24%
Assisted Living	5%	27%

### Diagnosis

	< 1 year	> 1 year
Musculoskeletal	30%	15%
Cancer	30%	5%
Cardiovascular	15%	18%
Dementia	10%	43%
Respiratory	5%	5%
Brain/CNS	4%	9%

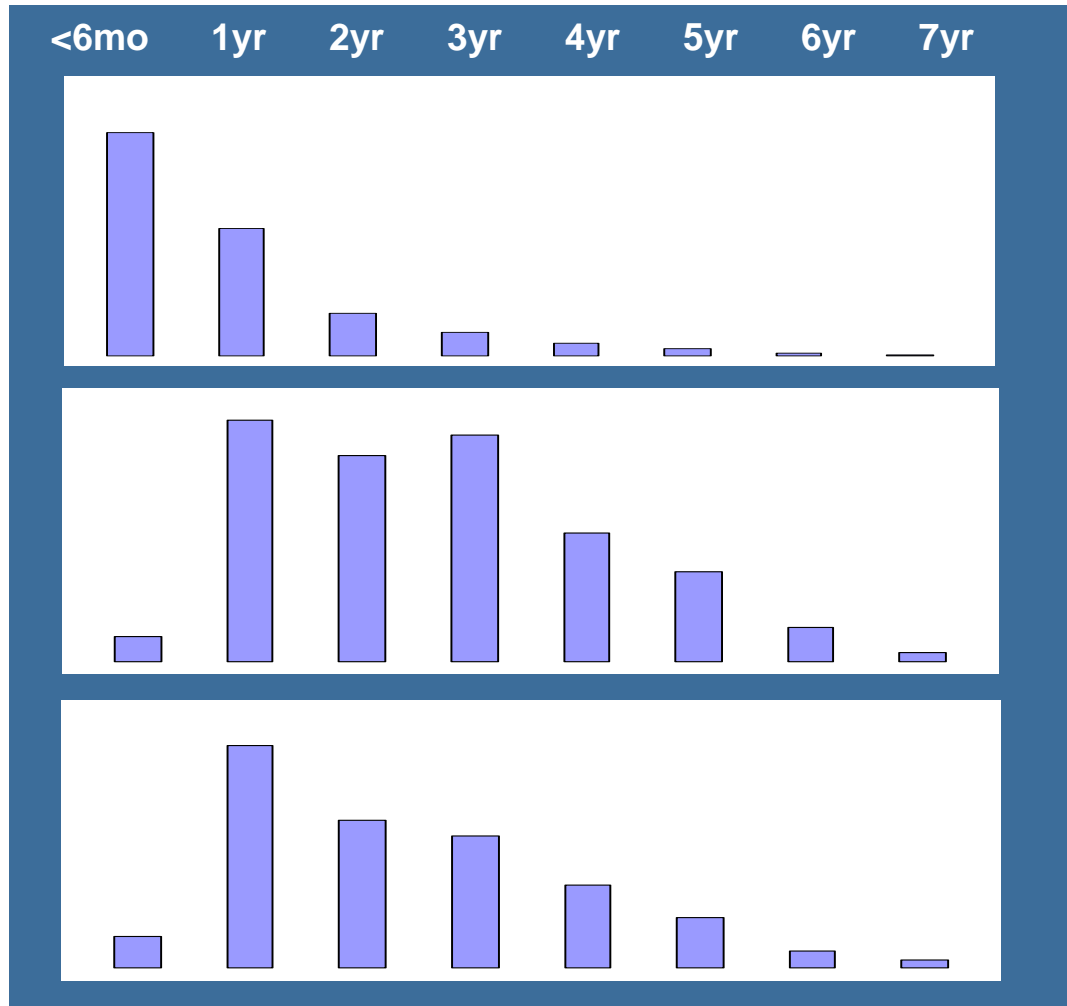
# GNW Reimbursement Claims

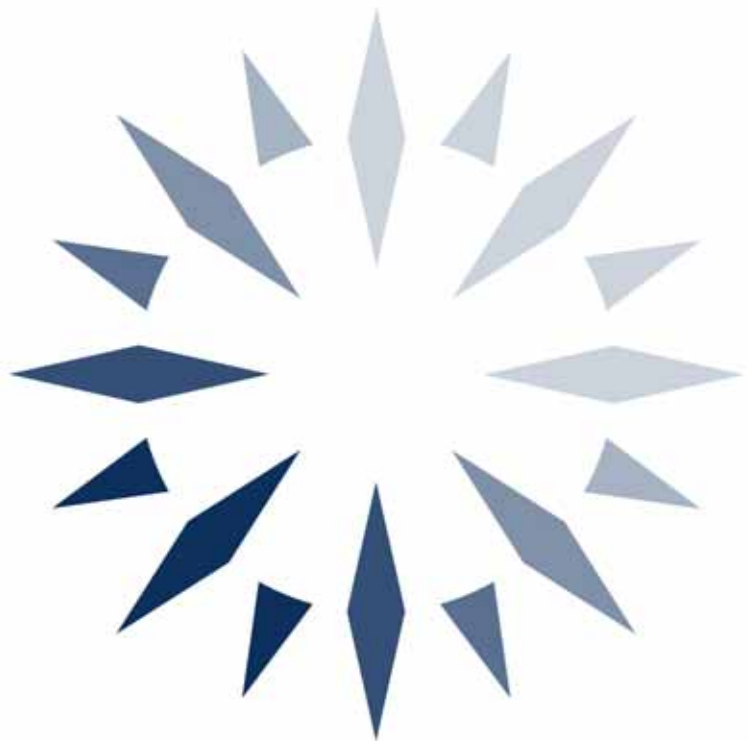
## Duration / Type of Benefit – Closed Claims

**Home Health  
Care** →

**Assisted Living  
Facility** →

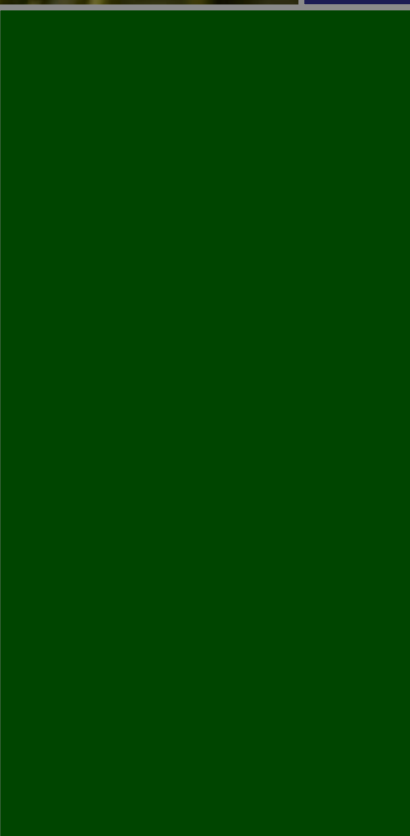
**Skilled Nursing  
Facility** →







Home  
Instead  
SENIOR CARE®

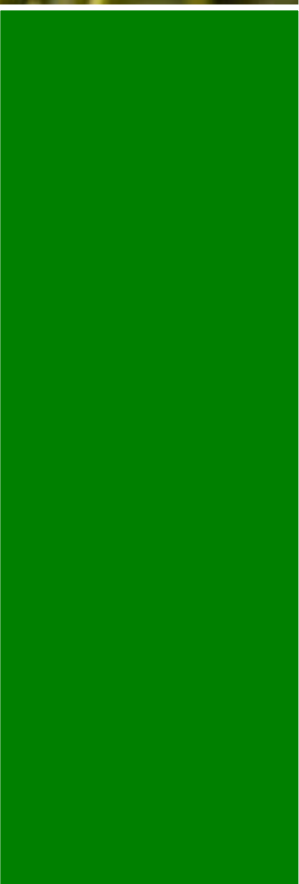




- Founded in Omaha NE in 1994 – Paul and Lori Hogan
- Home Instead Senior Care is the world's largest source of companionship and home care services for seniors.
- 800 offices located in the United States and 11 other countries around the world (Canada, Japan, Portugal, Spain, Australia, Ireland, New Zealand, the United Kingdom, Taiwan, Switzerland and Germany).
- We care for seniors in practically any living arrangement
- 50,000 CAREGivers deliver millions of hours of service annually and have served hundreds of thousands of clients







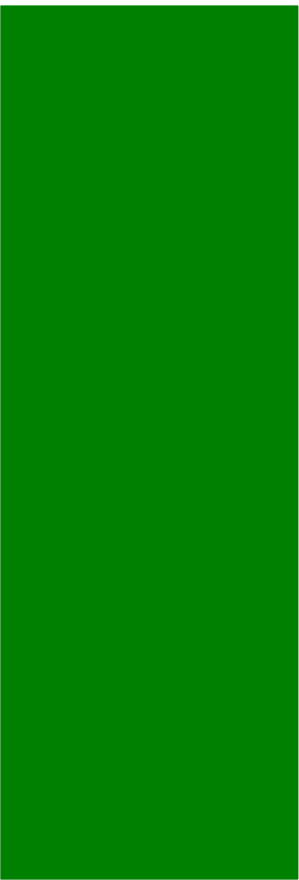
**Why are we here today?**





# How to Sell LTCI

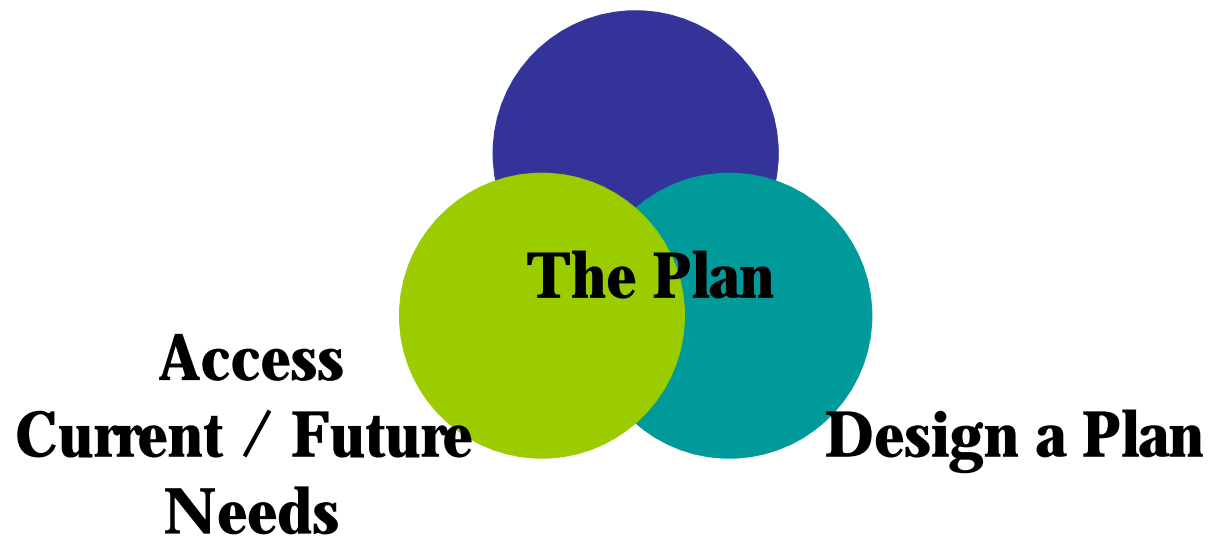
**The policy is not the plan –  
the policy pays for the plan**





# How to Sell LTCI

## Client Expectations





# How to Sell LTCI

- **Educate yourself on home care**
- **Ask your clients:**  
*“As you prepare for your future long term care needs – what does that look like?”*
- **Become the problem solver**
- **Know the resources in your community**





# How to Sell LTCI

## **Educate yourself on home care**

- **Be the Expert on what home care covers and what provisions are in your policies**
- **Specifically know what your client's needs and expectations are**
- **Familiarize yourself with the industry**





# How to Sell LTCI

## Ask your clients

*“As you prepare for your future long term care needs – what does that look like?”*

- **What does your aging process look like?**
- **Where do you want to live as you age?**
- **What types of services do you think you'll need?**
- **Do you have any illness that we need to be aware of?**

*Make this discussion comfortable*



# How to Sell LTCI

## What is Home Care

### Activities of Daily Living

Eating

Dressing

Toileting

Bathing

Transferring

Continence

### Additional Services

Meal Preparation

Light Housekeeping

Errands

Medication Reminders

Companionship

Shopping

Respite Care





# How to Sell LTCI

## **Become the problem solver**

- **Your clients want to know you have the answers**
- **They need you to design a policy that fits into their plan for aging successfully**
- **They want you to tell them they are making the right decision**







# How to Sell LTCI

## **Know the resources in your community**

- **Develop key relationships with age related business**
- **Create your own resource library**
- **Partner to co-present aging seminars**





# How to Sell LTCI

**Insurance Industry is complicated to work with**

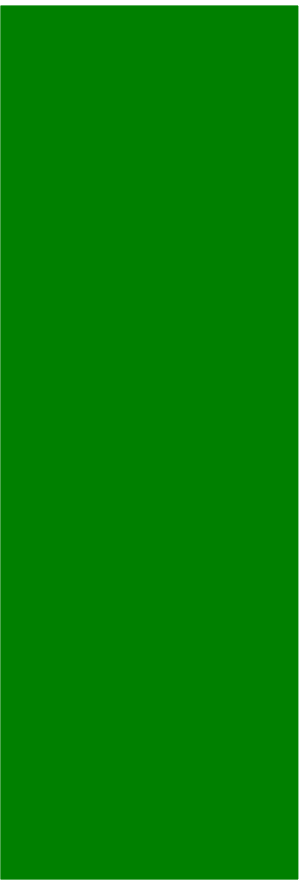
- **Problematic policy provisions**
- **Payment turn around time**
- **Billing and paperwork**
- **Confusion for clients**
- **Ambiguity of the policy**





# How to Sell LTCI

**Together we have the power  
to help people age with  
dignity and respect**





Trust



Reliability



Responsiveness



*There's not an  
owner's manual  
for raising your  
parents either*

Right at Home, Inc.  
Blake Martin- Vice President,  
Programs and Services  
February 25, 2008

# Maria Chambers

- Charismatic
- Young 62-y.o. professional female
- Business owner, teacher, parent
- Highly motivated & organized

# Her behavior suddenly changes

- **Disorganized- forgets appointments**
- **Distracted**
- **Exhausted- mentally & physically**
- **The charisma is gone**

## She's become a caregiver

- In-laws are moving in
- 92 y.o. Alzheimer's female, 93 y.o. male with CHF
- Her new house isn't hers- plastic on the couch & chairs
- Cancelled 2 vacations
- Worried about relationship with in-laws and paying for home care

# The impact on her life

- **At Work**
  - Reduced quality
  - Caregiving duties disrupt her work
  - Loss of prospective customers
  - Lack of fiscal discipline
  - Too distracted to follow up
- **Outside Work**
  - Losing her beloved teaching
  - ‘My one ray of light is the caregiver’



## What's this got to do with LTCi?

- The statistics get us in the door, humanizing the issue closes the deal:
  - 51 Million Americans doesn't matter- Maria leaving teaching does
- Ask the prospect 2 questions:
  - Do you want to go to a nursing home?
  - Do you want your kids to be Maria?

# How will the kids afford to keep you out of that nursing home?

- “They can keep the money, I’ll just go to the nursing home”:

Wrong- ‘Spend-down’ to poverty level

- An uncertain Reverse Mortgage?
- Maybe Out-of-Pocket?
- LTCi- Gives you/your kids choices

# Common Objections

**“The premium might go up”:**

- What’s worse- 10% premium increase, or your kids losing 100% of their quality of life?

**“It’s not going to happen to me”**

**“I’ve already planned it all- retirement, healthcare, etc.”:**

- Forgetting the 1 thing that’ll change it all- LTC

**Bottom Line: Each policy you sell = 1 less future Maria**

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