



## Selling LTC Planning and Strategy to the Affluent

**Larry Moore, Director of Marketing and Sales  
American Independent Marketing**

## Topics

- Understanding and accessing the affluent prospect
- Redefine the LTCi discussion and elevate it's importance
- Identify and embrace the "Trusted Advisor"
- Demonstrate the strategic imperative of LTC planning

## Understanding and accessing the affluent prospect

- Objectively, this demographic has flexibility and can shoulder the financial impact of a long-term care event
- They are very busy in every respect – be prepared to market remotely
- They have heard about LTCi but have NOT discussed LTC Planning
- Accessing this group is a function of time – develop referral sources
- The “Trusted Advisor” has the power, you don’t

## Create Common Ground with the Planner and Respect the Importance of What They Do

- “I do exactly what you do, but just in a different discipline”
- “The work and planning you’ve done and continue to do for your client is certainly worth protecting, isn’t it?”
- “The planning you provide your client’s is important, securing it’s fulfillment is essential”
- “LTCi is a great story about tax efficient cash-flow”
- “LTC is not what your client’s perceive it to be – it’s more about a chronic disability that can happen at any age and is a conservative and predictable way to fund that risk”

## Add Perspective To The Risk Management Discussion

### Expand the Planners Notion of Risk

- Some risks are simple and easy to quantify – home owners, auto
- Some risks such as financial risk is known and manageable to the extent of one's risk tolerance and the wide availability of historical macro economic data
- The LTC risk (morbidity) is the most unpredictable and potentially impactful to the well being of one's estate plan

# Identify The Interest and Offer Objective Clarity

“You have a well thought out estate planning strategy and currently have significant financial flexibility. What’s motivating your interest in LTC planning now?”

“When you think about LTC, what are the first images that come to mind?”

- It’s not just an issue for the elderly
- LTC = A disability that’s chronic in nature and impacts young and old a like.

## Estate Planning Leverages Multiple Strategies To Maximize the Likelihood of Attaining One's Desired Retirement And Legacy Goals

- LTCi as a strategy maximizes the likelihood that an estate plan will realize it's desired goal.

### **LTCi Delivers:**

- Enhances stability and safety of capital
- A story of tax efficient leverage
- Health care advocacy for the family or those responsible for one's care
- And is a foundational element in anyone's estate plan

# Safety and Stability of Capital and a Hedge Against Inflation?

**Current cost of care in Kansas City, MO  
Nursing Home = \$4,743/month**

## **Projected Cost:**

***Client at age 50 today = \$4,743/month***

- In 10 years = \$12,335/month
- In 20 years = \$25,937/month
- In 30 years = \$50,279/month
- In 40 years = \$93,883/month

*The figures above assume a 6% inflation rate on the cost of care*

**Current cost of care in Kansas City, MO  
Assisted Living Facility = \$3,304/month**

## **Projected Cost:**

***Client at age 50 today = \$3,304/month***

- In 10 years = \$9,757/month
- In 20 years = \$21,315/month
- In 30 years = \$42,013/month
- In 40 years = \$79,080/month

*The figures above assume a 6% inflation rate on the cost of care*



# Leveraging Long Term Care Insurance Plans

LTCi = Risk Free, Tax Free Leverage

Pool of Money Scenarios	A	B	C
<b>Valued Client</b>			
Current Age	58	58	58
Age Care Begins	80	85	90
<b>Insurance Benefits</b>			
Daily Benefit - Today	\$200	\$200	\$200
Benefit Days	1460	1460	1460
Benefit Years	4.00 Years	4.00 Years	4.00 Years
Beginning Pool of Money *	\$292,000	\$292,000	\$292,000
Inflation Benefit Annual Increase	5% Compound	5% Compound	5% Compound
Daily Benefit Start of Care	\$585	\$747	\$953
Future Pool of Money (start of care) **	\$320,401	\$1,174,691	\$1,499,237
Cost (Annual Premium)	\$2,548	\$2,548	\$2,548
<b>Investment Fund Needed to Match Insurance Benefits</b>			
Investment After Tax Rate of Return	4%	4%	4%
Lump Sum Deposit Needed Today, or	\$351,592	\$368,824	\$386,900
Annual Deposits Until Age Care Begins	\$23,394	\$21,718	\$20,814
<b>Care Days: LTC Investment Fund Versus Insurance</b>			
Annual Premium or Investment Deposit	\$2,548	\$2,548	\$2,548
Total Amount To Start of Care	\$56,056	\$68,796	\$81,536
If Invested At Above Rate of Return	\$90,754	\$124,769	\$166,154
Care Days Paid By Investment Fund	155	167	174
Care Days Paid By Insurance	1460	1460	1460

LTC Pool of Money Calculator, LTC Decision Systems, Inc

## Bottom Line

- A story of “LEVERAGE”
- Creating greater predictability
- Maximizing the likelihood of outcomes
- Creation of tax free liquidity or cash-flow upon distribution - at claim
- Health care advocacy – concierge service