

**FEATURE**



PHOTOGRAPHY: NAEED CHOUDHRY  
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# REWRITING THE BOOK ON LTCI

» BY CHRISTINA PELLETT, EDITOR

{ HOW DO YOU TURN THE LTCI SALE ON ITS HEAD, WOW YOUR TARGET MARKET, AND BLOW YOUR COMPETITION OUT OF THE WATER? WELL, TAKE A LOOK AT WHAT THIS GUY'S DONE. }

**B**rian Johnson is 30 years old, and he owns a long term care insurance policy. Of course, Johnson is a bit different from your typical consumer. As the director of business development for the Clifton Park, NY firm National Long Term Care Brokers, he is Certified in Long-Term Care (CLTC) and makes his living specializing in LTCI sales. Then again, policy ownership is certainly not a requirement for selling the product, as Agent Media's 2009 Long Term Care Insurance Market Study showed — at that time, 61 percent of agents who had sold LTCI in the previous 12 months said they didn't carry any such insurance for themselves.

So what makes Johnson different? Probably the same things that make him so successful in selling in a market primarily composed of older Americans. For this producer, the decision to sell — and eventually purchase — long term care insurance came after he saw two people who were close to him experience their own long term care events, both with and without the coverage.

"It was a very personal experience that attracted me to the business," Johnson said. "My grandfather has been on claim with an LTCI policy for four years now, and I've been in the business four years in April, specializing in LTCI. That's what led me to LTCI, I guess, and that's why I've been able to relate to it. A close friend of mine, the same age as me, is paralyzed from waist down since three years ago — that's when I bought my own policy."

This all relates to Johnson's personal approach to LTCI, the approach he takes when speaking with prospects and clients about their long term care plans. He believes that long term care is something that nearly everybody, at one point or another, must deal with. Whether it's you or somebody close to you — or even a friend of a friend, or a coworker, or a neighbor — you will, at some point, come in contact with somebody who's trying to cover the cost of long term care.

And that leads to another point that sets Johnson apart from many of his fellow LTCI specialists: He believes that long term care insurance is not always the answer when you're planning for ways to meet those long term care costs.

"I tell people, 'LTCI is not right for everybody.' That's not what they're used to hearing from a LTCI salesperson," he said. "In relation to other insurance you own, this is probably going to be more expensive — but if the premiums are affordable and you're not going to have to change the way you live day-to-day, it's a very important part of planning."

## RETHINKING THE PITCH

Johnson became involved in the financial services industry almost immediately after earning his Master of Business Administration from Quinnipiac University in Hamden, CT. For about four years, he worked with everything from mortgages to financial planning, finally settling in the insurance sector in 2005. In addition to his primary focus of LTCI, he also works in the life insurance and disability income spheres, as well as offering fixed annuities for individuals, employer groups, and associations.

"I enjoy working with people — it's probably one of my best skills — and taking a somewhat confusing concept and product and relaying information in an easy and understandable way," he said.

Aside from all the typical objections any LTCI producer would run into — "It's too expensive," "I don't need it," "I can self-insure" — Johnson also found his age to be a challenging factor early on. Often, he said, clients and prospects wouldn't understand how a 20-something insurance agent could possibly talk to them about a product often reserved for those in their 50s and beyond — and then he would tell them about his long term care experiences with his grandfather, and later, with his friend.

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FEATURE

*DOESN'T*  
**LTCI<sup>^</sup> need  
to be sold at  
the kitchen  
table.**



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In other words, he related to them.

"My age has no relevance," Johnson said. "When you listen to somebody and you share your experience and educate them, it's a hurdle that can be overcome pretty quickly."

As for the common objection of the high cost of LTCI premiums, Johnson approaches that with a flexible hand. While he does advocate that every single consumer should have a long term care plan in place, he wouldn't necessarily recommend long term care insurance to every single consumer, regardless of their income or other financial commitments. And he certainly wouldn't suggest that everybody purchase the very best plan available.

To illustrate this point, Johnson told the story of a retired schoolteacher with whom he recently met. The 70-year-old woman was on a fixed income and was interested in long term care insurance. Her accountant had previously shown her a plan that would cost \$7,000 per year — nearly 15 percent of her annual gross intake.

After meeting with the prospect and having an in-depth conversation about her needs and her plans, Johnson was able to find her a basic policy that would bring in a \$4,000-per-month benefit and offered a five-year benefit period and a future purchase option for inflation. The annual price tag? \$1,440.

"I truly don't recommend LTCI for everyone. But there's a way to fit a policy into almost anybody's budget, and at least I think I have the responsibility to show my clients the options," Johnson said. "When I present a plan, it's to show a good, better, and best plan. I don't show a Cadillac every time; I'll sometimes show a Hyundai."

### RETHINKING THE SALES CALL

As an LTCI specialist, Johnson has become familiar enough with most of the available policy options to be able to make an educated recommendation to any type of client, whether that recommendation leads to a full-featured policy, a more bare-bones plan, or something else entirely. This knowledge came only through experience.

But his LTCI business has also managed such tremendous growth over the past four years thanks to his use of technology, both in marketing his business and in the sales process. It's a fact of insurance sales, he said, that despite your best efforts, some people are hesitant to meet with somebody for the purpose of being sold insurance. Not only did he find himself combating that skepticism, but he realized he was competing with dozens of other day-to-day events and situations that also commanded the attention of his clients and prospects.

So Johnson began offering his LTCI prospects two options for a meeting: Either they could meet face-to-face — his preferred method — or, he could set up a Web presentation they would be able to view at home or in the office, during which he would walk them through their long term care planning options. He ends up conducting a handful of Web presentations each week through such services as GoToMeeting and WebEx.

"Taking advantage of technology is a great icebreaker," he said. "It's a great way to differentiate yourself and a

great way to see more people. It saves me time, saves me money, and it's almost like we're sitting there together — it really is. You'd be surprised. People will even do business through the mail. It doesn't have to be that traditional 'at the kitchen table' anymore."

This technology-driven approach is also a big help when it comes to Johnson's sales to association — yet another way he sets himself apart from the average LTCI producer.

### RETHINKING THE AUDIENCE

Roughly 75 percent of Johnson's long term care insurance business comes from associations. It's simple: He approaches associations and offers to present his policies to their members. Members have access to discounted LTCI, and the associations are able to offer this perk as an added membership benefit. It's a win-win for everybody, he said, and has transformed the way he runs his practice.

The way Johnson tells it, this approach came to him in a bit of a lightbulb moment. One day, while Johnson was presenting the LTCI option, his client countered, "Why should I purchase long term care insurance through you when I can purchase it at a discount through my association?" So Johnson called that association and asked if they did, indeed, offer the coverage to their members. They did not — so he spoke with the executive director and worked out an arrangement to provide the insurance, at a discount, to the group's 5,000 members.

"No matter what job you do, you belong to some type of professional association," he said. "Your dentist, your accountant, your carpenter — they all have associations and unions out there."

Johnson suggested starting out by asking your clients what associations they belong to and calling the group. Find out your best contact, and deliver your pitch.

Alternatively, he said, you can type "association" into a Google search box, along with the name of your town, city, or region, and find dozens of leads. He also likes to work with untapped groups outside the typical doctor-and-business-owner set — female business owners, for example, or athletes.

"I look and try to find these niche markets, and then I look for an affinity with a group," he said. "The association market kind of encompasses that."

### AN LTCI POSTER BOY

While LTCI sales industrywide are pointing downward, Johnson said, his own revenues have increased steadily year after year. He's also known across the industry for his techniques, and is often called upon to conduct training for financial professionals nationwide. He's lectured for the National Long-Term Care Network — a consortium of top LTCI agencies around the United States — as well as a regional chapter of the National Association of Insurance and Financial Advisors. And he's published a number of articles in newspapers and insurance industry trade publications on the topic of long term care planning.

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### » TECH TOOLS THAT WORK

It can sometimes seem as if the insurance industry is one of the last businesses to adopt a strong approach to e-commerce and other technological resources. Many agents and insurance companies, though, are starting to build a more visible Internet presence. Numerous carriers now offer online enrollment for multilife and association discount cases. Earning the endorsement of an association or society and then utilizing technology to meet with and ultimately enroll members, said Johnson, is a recipe for success. Here are some tools he recommends that have worked especially well for his practice.

► **GoToMeeting.com.** "For a monthly fee, you can hold live meetings with just about anyone, from anywhere. All your prospects and clients need is an Internet connection. This tool can save you and your prospect time, and allow you to get more meetings. Now, your conversation with a prospect will be, 'How do you want to meet — in person, or over the Internet?' Not, 'Do you want to meet: yes or no?'"

► **Real-time illustrations.** "During a Web presentation with a prospect or a client, run illustrations in real time with them and ask for their input. Allowing the prospect to play a role in designing their policy has been powerful for many agents. Your clients will appreciate the hands-on and transparent approach."

► **Online enrollment.** "Find out from your GA which insurance companies have online enrollment capabilities. Many carriers are already using online enrollment for association and multilife cases. There's even buzz about incorporating online enrollment with individual LTCI sales, as well."

► **Social networking.** "Social networking is extremely useful in networking yourself with other advisors. Partnering is an extremely powerful tool in building awareness about you and your practice. Try LinkedIn.com or Facebook.com."

► **Join marketing forces with others.** "If you're active in the association market, piggyback your marketing efforts on top of the association's established and proven member communications. For example, most associations regularly send out e-newsletters, hardcopy newsletters, and bulletins. Include a basic write-up with a link to your Web site or email on the association's Web site and marketing materials."

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Most often, he said, he talks to other professionals about how to have the long term care conversation.

"You can transition in from maybe a different conversation about financial planning or retirement planning, into a long term care-framing conversation," he said.

"The product is always secondary; that's always what I tell people. In any meeting, that will be 25 percent of the conversation. The other 75 percent is asking questions and listening to the client."

Marilee Driscoll, an industry speaker, consultant, and author of "The Complete Idiot's Guide to Long-Term Care Planning," said she sees something in Johnson that she doesn't see in many LTCI specialists.

"He really came across as someone who looks at the market for LTCI with fresh eyes. I see him as the new generation of LTCI agents, and because of his understanding of new marketing concepts and being very computer savvy, it seems to me that he takes the best practices

of sales and management and brings them to the LTCI business," Driscoll said. "He's doing some things that are very unique and different, and he doesn't come from the insurance industry, so he doesn't have the preconceived notions about what's going to work and what's not going to work."

### THE FUTURE'S SO BRIGHT

So what's next for Johnson? For one, he plans to begin transitioning some of his business to other types of advisors, he said, expanding his strategic partnerships with CPAs and estate planning attorneys and leveraging their existing relationships with consumers who are interested in having the long term care conversation. He's a strong believer in collaboration, and believes that strong communication among all the financial professionals in an individual's life is the best way to recommend the best product for their needs.

As for the future of the long term care market, which has been beset with a slump in individual policies and a move toward more worksite and combination product sales, Johnson doesn't believe in calling the glass half empty.

Plenty of opportunities are presenting themselves, he said. Baby boomers are entering retirement and nearing the years during which many long term care events occur. Wealth is being transferred at a tremendous rate, and many more Americans need health care than ever before. He sees linked-benefit products as becoming more popular, but standalone policies aren't going anywhere, he said.

Because, after all — neither is long term care. «

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NOT  
LTCI is for  
everyone.