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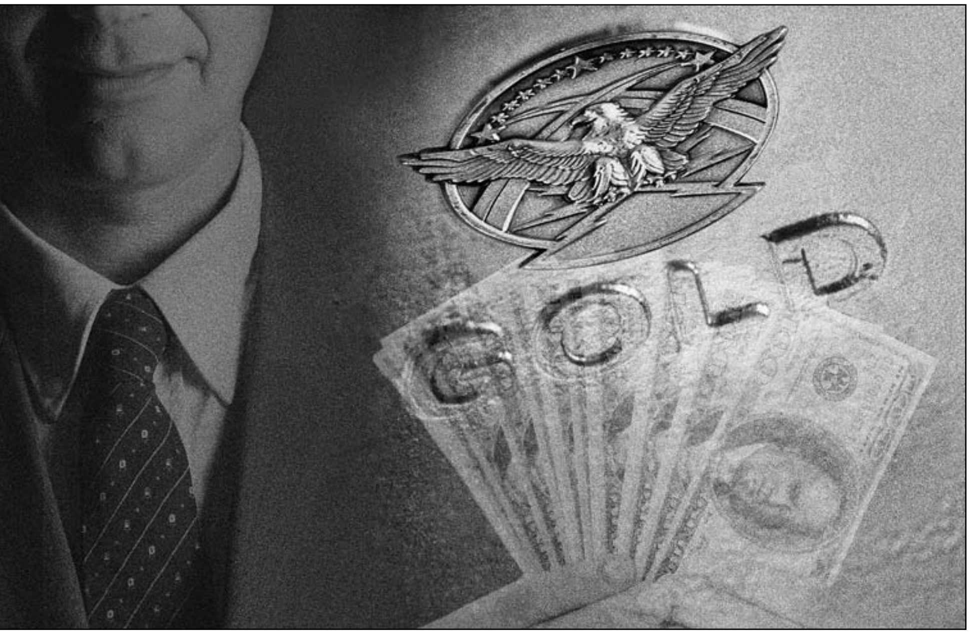
A Millionaire Mind and the Money to Match:

Are They Prospects for Long-Term Care Insurance?

by Debra C. Newman



When working with wealthy clients, most financial advisors will open a discussion about Long-Term Care (LTC) insurance with this question: *Have you ever thought about LTC insurance?* You might as well pack up your bags right then because the response is going to be one of either, *"I don't need it because I have plenty of money,"* or, *"What is it?"* When you begin painting the picture of them being old and disabled in a nursing home, I can assure you the conversation will be over in a matter of seconds. Then the wise and safe financial advisor, wanting to preserve their position as an advisor rather than an insurance agent, quickly backs off and agrees that the client can probably afford to self insure. If this sounds typical, let me give you some tools to approach the discussion in a different fashion, which will allow the client permission to buy LTC insurance for emotional, as well as economic, reasons.

Open the discussion with a question. *"Oh by the way, who do you have your LTC insurance with?"* If they say, *"I don't have LTC insurance."* or *"What is it?"* You can respond simply: *"We need to talk about LTC insurance because most clients with similar circumstances to yours already own it."* Now, you tell them a few stories that help them validate why other very wealthy people own LTC insurance.

Let me share with you the following three examples:

The Analyst

For 38 years, a mega-successful stockbroker with generations of wealth had his house appraised each year. Then, he would call a Property and Casualty (P&C) agent to assess how much it would cost to insure his home. Each year, he would deposit the exact amount of the homeowner's insurance premium into his "house account" and essentially self-insure the risk. After 38 years, he has $1 million of cash in his "house account" and now his house is worth $750,000. The man knew that the odds of his house burning down each year was less than 2 percent and he was willing to take that risk. INTERESTINGLY, THE MAN BOUGHT LTC INSURANCE. *Why?* He said that he knew what the financial risk of his home was, but he did not know what the financial exposure of an LTC risk could be. He was unwilling to self insure an unknown risk.

The Greedy Heirs

A woman with assets of $30 million asked her good friend, an LTC insurance specialist, if she could buy an LTC insurance policy. Her friend said, *"Why in the world do you want to buy LTC insurance? You could buy the nursing home!"* The woman replied, *"Let me tell you what happens when you have a lot of money. If I ever need care and can no longer make decisions for myself, I want to make sure that I have the highest quality of care available without my heirs worrying about* ***spending their inheritance on my care****."* (I tell this story to a lot of estate planning attorneys that just sit there and nod their heads in agreement.)

Getting Rid of the Guilt

This story is about a 60-year-old woman with assets valued at more than $1 million dollars. One could quickly determine that interest income alone would pay for the best quality care for this

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woman without ever depleting principal. But, she was asked a vital question: *"As you live out your retirement, what most concerns you about your family?"* Her reply: *"I cared for my mother in my home for six years, and while I would never take back that time, I do not want my children to have to care for me."* She did not want her children to feel that they needed to stop their lives and take care of her because they witnessed the sacrifice she had done for her own mother. She bought the insurance so that she could give her children permission to hire someone to help care for her.

These are all clients that financial advisors may have walked away from because they were not willing to ask deeper questions, listen attentively and share stories in order to get beyond the objection "I have plenty of money." Sell with emotion, validate with logic!! ❋

Marketing to Women:

Where Have All the Single Women Gone?

by Barbara J. Stahlecker

I recently had an opportunity to be a panelist at a session called "Marketing to Women." During the session, one of the audience members asked a question that stumped the panel. The question was, "Where do I find single women clients?" At the time, I flippantly suggested "the courthouse"—mainly because I couldn't think of anything better. However, since then, I have had plenty of time to think about that question. It was truly a good question that deserved a better answer.

Since then, I have done some research and here's what I have come up with: Cold calling doesn't work with this group. Many single women report feeling vulnerable and as such, are wary of this type of marketing. Here are a few suggestions on how to locate and work with qualified single female prospects:

1. **Partner with a Financial Planner or CPA.** When a woman becomes single late in life (due to divorce or spouses' death), they rely heavily on their financial advisor. Since this is already a trusted established relationship, a single woman will be more receptive if your services are referred to her in this manner.

2. **Sponsor a "Women and Investing" Workshop.** You can do this relatively inexpensively through your local Parks & Recreation Department, Adult Education Facility or Chamber of Commerce. If you can include another topic, you are likely to get better attendance. Sample topics might be "Understanding Annuities," "Mutual Funds versus the Stock Market" or "Medicare: What to Expect."

3. **Hold a Luncheon at Your Local Country Club.** This is the perfect location to find financially qualified prospects. Most women are aware they are likely to outlive their husbands. Many country clubs allow widows and/or divorcees to maintain their memberships. A widow generally inherits significant portions of her deceased

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