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2003 Intercompany LTCI Conference – Marketing Track Highlights

by Claude Thau

The Marketing Track put on a broad array of topics the highlights of which are shown below.

In “One Call versus Two Call Close,” three veteran agents discussed how they handle face-to-face appointments with clients. The differences are less than some people think because some one-visit proponents have a significant pre-qualification interview on the phone in advance and some “two-call” advocates often close cases in one visit. They also discussed how their closing style affects placement, persistency rates and obtaining referrals.

The animated “Enrolling Relatives” session asked: Do we sell group LTCI based on worker productivity issues, then ignore sales to parents and grandparents? Should group LTCI insurers refer those relatives to their individual side? Two speakers discussed emerging successful approaches. A regulator opined that some “scare tactics” are honest and should be allowed, as demonstrated by a taped focus group discussion.

“New Trends in LTCI Product Design,” was a highly interactive forum featuring panelists Barbara Stahlecker and Anita Potter. The session discussed future policy design and how to understand the wants and needs of distributors.

The “Association Market” session concluded that the potential for this market is large and growing, but those who arrive first are more likely to be long-term winners. Understanding the pricing and whether to approach the market from a single-carrier or multi-carrier approach are the keys that can determine your success.

The “Executive Carve-Out” session viewed this tax-favored worksite approach to LTCI from both the home office perspective (risks and rewards a carrier might expect) and the field perspective (the secrets of successfully writing LTCI in the high-end market). Finally, using executive carve-out as an incentive to obtain better participation in all sizes of group enrollments was explained with real case studies and results.

“Policies for Dummies: Should we Simplify?” postulated that simplified product structure and

language would increase LTCI sales. The session identified specific areas needing simplification, and evolved into an extremely spirited audience-interactive debate about whether we can create policies that anticipate evolution in the LTC delivery system.

The “Quote Engines” session discussed critical strategic and logistical issues for insurers sharing rate files. A Tillinghast survey performed by Thau, Inc. demonstrated that few companies have a strategy for sharing files and all companies lack resources to satisfy requests for their files.

The session on “Measuring the Effectiveness of Training” covered the goals of training and discussed the importance of identifying ways to subsequently measure results against those goals. Testing results at multiple intervals is preferable to one-shot snapshot tests. Also, it is desirable to use variable compensation for those responsible for the training program and then study the insurer’s return on investment.

The session dealing with LTCI designations had speakers representing five different programs: Corporation for LTC Certification (Harley Gordon); Society of Certified Senior Advisors (Edwin J. Pittcock); HIAA’s/AALTCI’s LTCP (Margie Barrie); Center for Senior Studies (Jan Kaplan); and CareQuest University (Robert Pearson). The speakers discussed purpose, curriculum and cost, differentiating their programs based on such issues as the background and credentials of the course designers, whether it is backed by for-profit or non-profit entities and whether it is intended to reflect individual LTCI vs. group LTCI.

The SOA session on the “Federal Government LTCI program” was extremely timely in presenting its results. With over 215,000 insureds in the first rollout and more than \$250,000,000 in annual premiums, the federal LTCI program is the largest ever enrolled. Among one of the more surprising results was that 69 percent of the enrollees selected the pre-funded benefit increase options instead of the guaranteed future increases, thus breaking with “conventional wisdom.” ☺

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Claude Thau, FSA, MAAA, is president of Thau, Inc. in Overland Park, Kan. He can be reached at cthau@targetins.com.