



**QUICK
TRAINING
GUIDE**

How to Sell

**SHORT-TERM
CARE INSURANCE**
with **CONFIDENCE**

BY JOHN HOCKADAY & JEFF SAMS

INTRODUCTION

About the Authors



JOHN HOCKADAY

John Hockaday started in the insurance business as an agent in the Senior Market in 1979. He and business partner Jeff Sams teamed up in 1981, and started Sams/Hockaday & Associates in 1983, a career agency serving Central Illinois, focusing on the Senior Market.

In 1993 New Horizons Insurance Marketing was formed, a senior insurance marketing company serving agents and agencies with products and support throughout the country.

John is married to wife Cheryl and has four children.



JEFF SAMS

Jeff started in the insurance business in June of 1981. He completed his Bachelor of Science degree in Education from Millikin University in 1982.

Jeff became Managing General Agent with Standard Life in 1983. In 1987, he became Regional Director for Standard Life and Accident, managing 8 states throughout the Midwest, and National Marketing Director in 1988.

Jeff started Sams/Hockaday & Associates Insurance with John Hockaday, in 1983. Sams/Hockaday grew to be 30-plus captive agents, which led to the development of New Horizons Insurance Marketing, which was formed in 1993.

Hey guys, John Hockaday here. My business partner, Jeff Sams, and I have a deep passion for the long-term care need.

Both of our fathers have passed away and needed extended care at the end of life. Jeff will be the first one to tell you how fast 30 days goes by when you're writing a check for nearly \$8,000 every month.

It's financially devastating — we know that Medicare only covers the first 20 days of extended care, yet **we've all stopped selling long-term care policies to our clients**. And we mean that — we **all** have, ourselves included.

In fact, our agents only sell a tiny fraction of short-term care policies compared to the booming market of Medicare Supplements.

Just because the sales are low for us doesn't mean that the need isn't there. The need for extended care insurance is real — we've lived through it — and we want to spark that same fire in all of our agents. We've found an attractive alternative to long-term care insurance that

- you'll prefer and
- that your clients can get excited about.

Short-term care is becoming the new long-term care for seniors.

This quick guide has 5 mini-chapters that are going to equip you with the following:

1. An understanding of the shift from LTC to STC
2. Confidence in the product and our carriers
3. Valuable training
4. Integral sales strategies and techniques
5. A quick tutorial on how to calculate rates and application information

So many of us only sell Med Supp policies anymore. They're easy, and we know how to sell them. Our hope is that this guide will give you the confidence and comfort you need to add this back into your sales pitch.

Your clients (and your bank account) will thank you.

CHAPTER 1

What Happened to Long-Term Care?

Twenty years ago, we wrote tons of long-term care insurance policies.

Med Supps and long-term care. That's all we wrote. It's how we made our money, and we weren't alone. There were a lot of guys like us.

If you were in the Med Supp business, you wrote long-term care and Med Supps hand-in-hand. It was a growing market.

Every policy we wrote was a lifetime policy. Lifetime benefits.

We almost felt bad... like we were doing a **disservice** to a customer if we wrote a 3- or 4-year policy. You wrote them all lifetime, 5% compound inflation, \$80 or \$100 per day.

Now, **companies don't even offer lifetime anymore.**

None of us are talking about long-term care. We got sick of it, and for good reason.

- It's more expensive,
- Insurance companies don't want older people to apply,
- There's not a lot of players in it anymore,
- Rate increases left our clients angry, and
- Most insurance carriers were rejecting around 50% of the business.

So here we are writing it, and half of the time, it wouldn't get issued.

Then, the customer gets mad. What happens in a sales situation is that a person is pretty healthy, and they get turned down. Then they're saying something like, "Well, I guess I *am* a little overweight."

And in the customer's defense, the carriers got so picky that if you weren't ready for the Olympics, they weren't going to take you. And it used to be that anyone that breathed could get some kind of a policy.

Now, all we're thinking is:

"I'm not going to ruin my Med Supp sale. I'm not going to ruin my relationships by even offering this product when I know that 50% of the time, these cases aren't even going to get issued."

We all just got burned so many times.

To top it all off, insurance carriers started giving huge rate increases. That's why there's a bad flavor in the mouth about this. Even one of our all-time favorite carriers applied for a 114% rate increase.

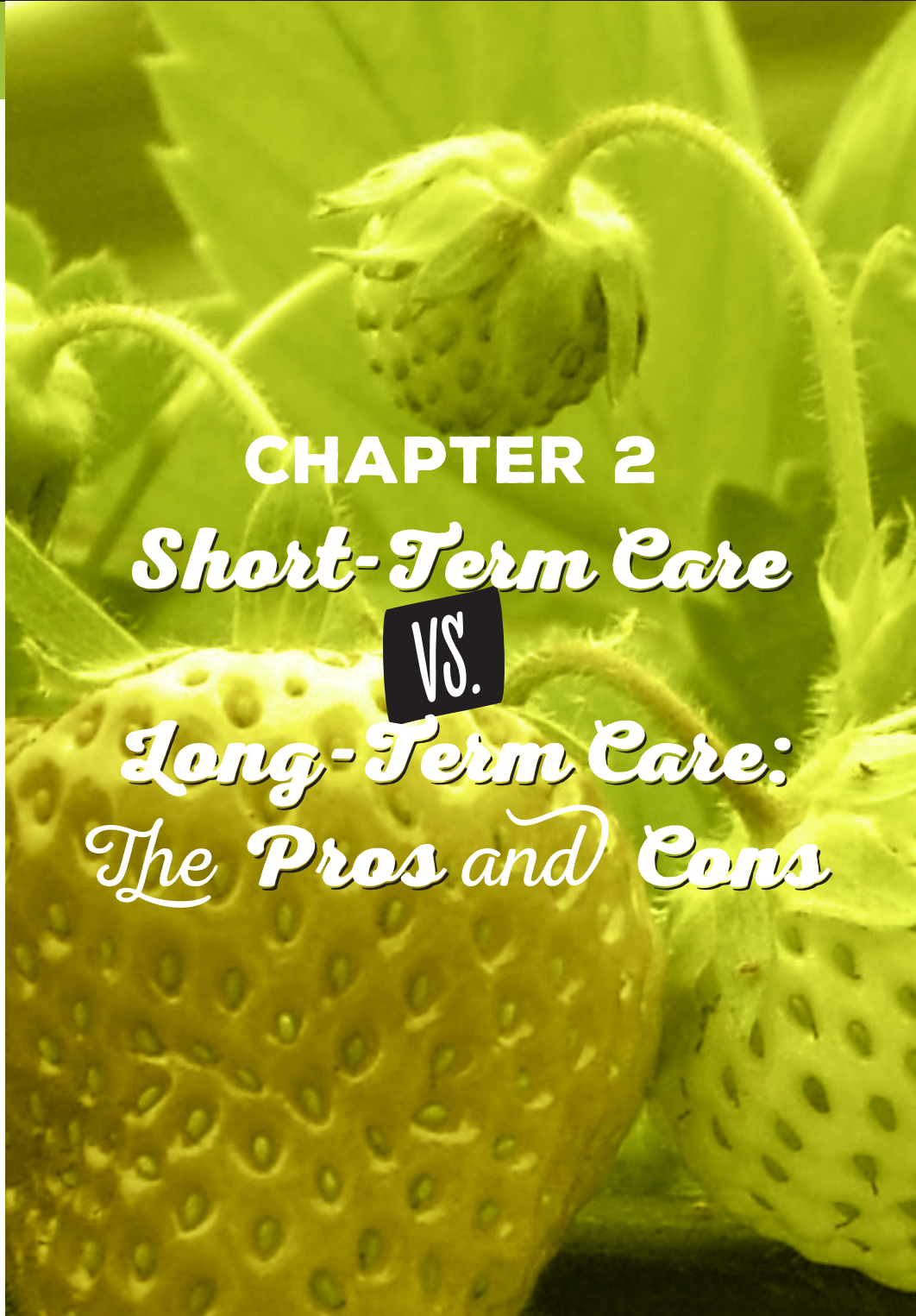
The main reason for that is that the insurance companies were banking on people dropping the policy. For example, life insurance companies know that around 5% of people are expected to drop their policy, so their premiums reflect that ([MassMutual](#)).

However, with long-term care, that wasn't the case. No one was dropping it, and the insurance companies weren't making any money. They'd have million dollar claims, and it takes a lot of people to make up for a million dollar claim. And the claims didn't have a cap... they could go on forever.

The bottom line is that we don't write long-term care anymore, because we don't want the problems.

But here's the bigger problem: the need hasn't changed — people need coverage then, they need it now, and we aren't writing it.

That's why there's a **huge opportunity** for a resurgence with recovery care, and we really do believe that short-term care is becoming the new long-term care, especially for senior-aged clients.



CHAPTER 2

Short-Term Care VS. Long-Term Care: The Pros and Cons

SHORT-TERM CARE VS. LONG-TERM CARE: THE PROS AND CONS

There are clear-cut pros and cons for both short-term care and long-term care.

Sometimes it can be easier to visualize with a chart, so here are some pros and cons for you as the agent, and following will be the pros and cons for your clients.

AGENT PROS AND CONS

You should always do what's best for the client, no matter how much you're being paid or how much of a hassle it is. Your clients will thank you for it, they'll refer you to their friends for it, and they'll trust you for life.

But, it can still be useful to see how short-term care compares to long-term care from the back-end. Here's what we have:



| PROS OF LONG-TERM CARE | CONS OF LONG-TERM CARE |
|---|--|
| HIGHER PREMIUM, SO HIGHER COMMISSIONS | ONLY ~50% ACCEPTANCE RATE |
| PEACE OF MIND KNOWING YOUR CLIENT IS COVERED FOR LONGER | YOU CAN'T FEASIBLY PITCH IT TO YOUR MEDICARE CLIENTS (TOO OLD) |
| PEOPLE DON'T DROP THESE POLICIES | TONS OF RATE INCREASES = ANGRY CUSTOMERS |
| | NOT A LOT OF CARRIER DIVERSITY |
| | THE APP IS LENGTHIER AND TAKES MUCH LONGER |

| PROS OF SHORT-TERM CARE | CONS OF SHORT-TERM CARE |
|---|---|
| THE APP IS EASY TO WRITE (JUST LIKE A MED SUPP) | YOU KNOW YOUR CLIENTS MAY NOT BE FULLY COVERED (MAX COVERAGE IS 1 YEAR) |
| OLDER CLIENTS CAN APPLY (UP TO AGE 89!) | LOWER PREMIUMS, SO LOWER COMMISSIONS |
| MORE APPS WILL BE ACCEPTED | |
| MINIMAL RATE INCREASES BASED ON RATE INCREASE HISTORY* | |
| YOU CAN QUOTE A LOWER PREMIUM = HAPPY CUSTOMERS | |
| FASTER APPLICATION PROCESS THAN LTC | |
| HIGH FIRST YEAR COMP (SIGNIFICANTLY HIGHER THAN A MED SUPP) | |
| LEVEL RENEWAL FOR LIFE (MOST CARRIERS) | |
| PEOPLE DON'T DROP THESE POLICIES | |

**No one on our team could recall a short-term care rate increase, so we contacted Aetna for confirmation. Aetna has not had any rate increases on this product for the past 20 years. Also, their recovery care product is an issue age product, meaning the rate will not increase by age.*

The commission shouldn't be the first reason you get into this, but it is really convincing. A typical agent comp for a recovery care plan is significantly higher than a Med Supp for the first year. It's almost important to note that most carriers pay a renewal for life.

SHORT-TERM CARE VS. LONG-TERM CARE: THE PROS AND CONS

CLIENT PROS AND CONS

The client pros and cons are the most important. This is what will ultimately sell the policy.



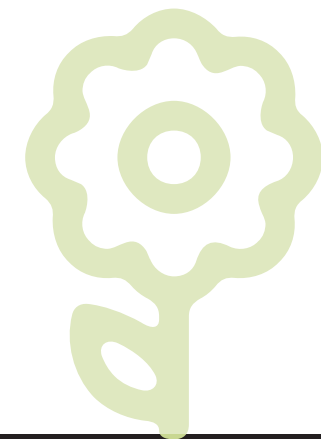
| PROS OF LONG-TERM CARE | CONS OF LONG-TERM CARE |
|------------------------|----------------------------------|
| LONGER COVERAGE | BRUTALLY EXPENSIVE |
| MORE ASSET PROTECTION | THREAT OF RATE INCREASES |
| | 50/50 CHANCE YOU'LL BE ACCEPTED |
| | YOU MAY BE TOO OLD TO EVEN APPLY |

| PROS OF SHORT-TERM CARE | CONS OF SHORT-TERM CARE |
|---|---|
| AFFORDABLE | SHORTER COVERAGE |
| YOU'RE PROBABLY NOT TOO OLD TO APPLY (UP TO AGE 89) | CLIENT MAY BE ABLE TO AFFORD UP TO 1 YEAR OF COVERAGE WITHOUT INSURANCE |
| LOWER THREAT OF CRIPPLING RATE INCREASES | |
| HIGHER CHANCE OF BEING ACCEPTED | |

At the end of the day, your client needs to see the trade-off and evaluate if that change in coverage length is a risk they're willing to take.

The point to recovery care for the 65+ market is that traditional long-term care insurance is no longer an option.

Maybe the premiums for long-term care are way too high right now — that's OK. It's much easier to ease them into better coverage with time, and believe us: **One year of coverage is far better than zero.**



CHAPTER 3

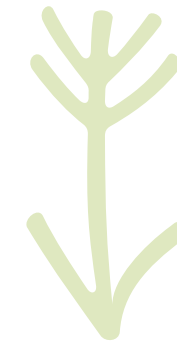
Recommended Carriers and Comparisons

Here at New Horizons, we currently represent four different recovery care carriers: Aetna, Bankers Fidelity, Standard Life, and United National Life (UNL).

It's important to consider the following characteristics of the company when you're deciding which carriers to highlight in front of your clients:

- Pricing
- Issue ages
- Financial power and stability
- Underwriting

In order to determine these things, you have to be comfortable with the features of each carrier. This plays a huge role in your comfort and confidence when you go to sell this product. We've done the initial research and legwork for you, and here's what you need to know for starters:



RECOMMENDED CARRIERS AND COMPARISONS



| | AETNA RECOVERY CARE | BANKERS FIDELITY SHORT-TERM CARE |
|------------------------------------|--|---|
| ISSUE AGE | 50-89 | 18-85 |
| BENEFIT PERIODS | 90, 180, 270, OR 360 DAYS | 180, 360 |
| ELIMINATION/WAITING PERIODS | 0, 20, OR 100 DAYS | 20 DAYS |
| DAILY BENEFIT OPTIONS | \$10-\$300 | \$20-\$300 |
| E-APP AVAILABLE? | YES | YES |
| PRE-EXISTING CONDITIONS | 6 MONTHS | 6 MONTHS |
| UW REQUIREMENTS | APP, MIB, A MILD PHONE INTERVIEW ON RARE OCCASIONS*, AND A PRESCRIPTION DRUG CHECK | APP, MIB, PERSONAL HISTORY PHONE INTERVIEW**, AND A PRESCRIPTION DRUG CHECK |

*No phone interview unless there's a medication; the interview is based off the application.

**Personal history phone interviews are conducted randomly on 20% of applicants and 100% of applicants 60+.



| | STANDARD LIFE RECOVERYCARE II | UNITED NATIONAL LIFE HOME HEALTH CARE SHIELD |
|------------------------------------|---|---|
| ISSUE AGE | 50-79 | 61-85 |
| BENEFIT PERIODS | 180, 270, OR 360 DAYS | 60 DAYS FOR HHC* |
| ELIMINATION/WAITING PERIODS | 0 OR 20 DAYS | 0 DAYS |
| DAILY BENEFIT OPTIONS | \$50-\$300 | \$150, \$300, OR \$450 |
| E-APP AVAILABLE? | NO | NO |
| PRE-EXISTING CONDITIONS | NONE | 6 MONTHS |
| UW REQUIREMENTS | APP, MIB, PERSONAL HISTORY PHONE INTERVIEW, AND A PRESCRIPTION DRUG CHECK | APP, MIB, PERSONAL HISTORY AND COGNITIVE PHONE INTERVIEW**, PRESCRIPTION DRUG CHECK |

* Maximum benefit period for nursing care services, therapy services, and medical social services is 360 days. Max benefit period for home health aide services is 60 days.

**All applicants 75+ will be subject to a phone interview. In some cases, a personal history phone interview and cognitive screen may be conducted on applicants under 75.

RECOMMENDED CARRIERS AND COMPARISONS

HELPFUL RESOURCES

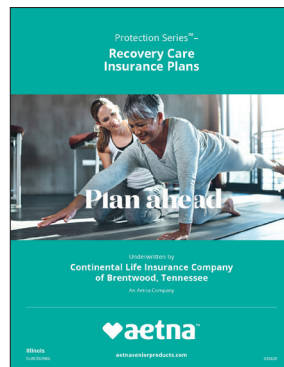
We have all of the information and downloadables you need on the New Horizons website. Take advantage of those. The brochures can give you really good stats to quote to your clients.

AETNA

Application, Brochure, Outline of Coverage, and Rate Guide: <http://bit.ly/stc-aetna>

Currently available in the following states:

- Alabama
- Arizona
- Arkansas
- Colorado
- Delaware
- Georgia
- Idaho
- Illinois
- Indiana
- Iowa
- Kentucky
- Louisiana
- Maryland
- Michigan
- Missouri
- Mississippi
- Montana
- North Carolina
- Nebraska
- Nevada
- Ohio
- Oklahoma
- Oregon
- South Carolina
- Tennessee
- Texas
- Utah
- Wisconsin
- West Virginia
- Wyoming

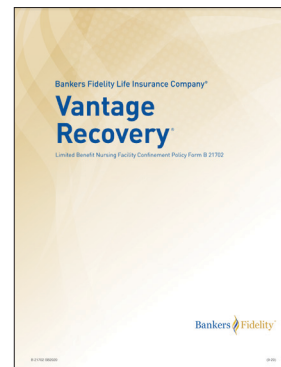


BANKERS FIDELITY

Application, Brochure, Outline of Coverage, and Rate Guide: <http://bit.ly/stc-bankfid>

Currently available in the following states:

- Alabama
- Arizona
- Arkansas
- Colorado
- Georgia
- Illinois
- Indiana
- Iowa
- Louisiana
- Michigan
- Mississippi
- Missouri
- Nebraska
- North Carolina
- Ohio
- Oklahoma
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Wyoming

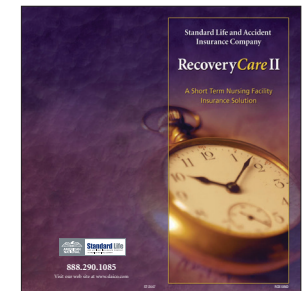


STANDARD LIFE

Application, Brochure, and Rate Guide: <http://bit.ly/stc-stdlife>

Currently available in the following states:

- Arizona
- Arkansas
- Colorado
- Delaware
- Georgia
- Illinois
- Indiana
- Iowa
- Kentucky
- Louisiana
- Michigan
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Mexico
- North Carolina
- Ohio
- Oklahoma
- Oregon
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia
- West Virginia
- Wisconsin
- Wyoming

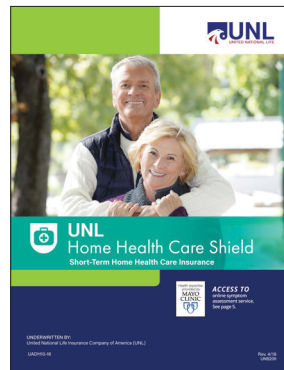


UNITED NATIONAL LIFE (UNL)

Application, Brochure, Outline of Coverage, Training Worksheets, and Rate Guide: <http://bit.ly/stc-unl>

Currently available in the following states:

- Alabama
- Arizona
- Arkansas
- Colorado
- Georgia
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Michigan
- Missouri
- Mississippi
- North Carolina
- North Dakota
- Nebraska
- Nevada
- Ohio
- Oklahoma
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- West Virginia



CHAPTER 4

Sales Techniques

SALES TECHNIQUES

With a short-term care policy, half the battle is executing the sale. That can be really tough when you're used to selling Med Supps and nothing else, and here's why.

Since '92 when Med Supps were standardized, **you've likely been selling solely against price.** That is not the case with short-term care.

We need to get the sales strategy back — we need to educate our clients on why they really need it rather than how much the price is.

You have to let them know how fast 30 days goes by when you're shelling out \$8,000 per month for extended care.

Here are 10 proven techniques we've been using for years that you can use to close in on the sale.

1 TELL THEM WHAT THEY HAVE

A lot of your clients don't fully understand what they already have. If that's the case, then they have absolutely no idea what their coverage gaps are. That's your job — **you need to make sure all of your clients know what their weak points are.**

That doesn't mean they have to purchase everything you suggest, but as an agent, that is absolutely the most important service you can offer to your client.

I would say something like this:

“You know, you have Part A of Medicare, which is your hospital, you have Part B of Medicare, which is all your physician expenses, and you have a Medicare supplement. Everything is pretty much covered except extended care and home-health care.

In our later days, whether it's an accident, a fall, or a stroke, you'll need some type of care. You may not ideally want to go to a nursing home, and if you do, short-term care pays there, but here's what I want you to know: **It's affordable, and some people just don't know about it, so I want to tell you about it.**”

At a minimum, this can get your foot in the door. This is an easy way to bring short-term care into the conversation. The next two tips can help you seal the deal.

2 MAKE IT MEANINGFUL

We sold a ton of long-term care in the 80s and 90s, and we often told farmers **the cost to be in a nursing home is an acre per month.** It might surprise you, but that is exactly where the average cost is today with farm land. It will run \$8,000–\$12,000 per month.

This is more meaningful to the Midwest region, but the expense to live out your final years is mind blowing. Make the cost resonate with your clients — compare it to something they can relate to, and make the potential devastation real for them.

Here are some more examples of things that cost the same as one month in a nursing home, but as you get to know your clients, you can come prepared with the most effective comparisons:

- You and a friend getting a Harvard education
- You and three friends going on a 14-night Mediterranean cruise each month
- Feeding a family of four for 9 months
- Losing an acre of land per month

SALES TECHNIQUES

Another line we often used in talking to consumers is there will be more homes lost to long-term care costs than any fires.

No one thinks about protecting their home from long-term care expenses, but you wouldn't go a day without homeowner's coverage.

One statistic in particular has always jumped out at us — 1 in 2 people past the age of 65 will need some form of long-term care in their lifetime.

Most caregivers are spouses and daughters.

If you lean toward certain carriers, make sure to check out their brochures — there are a lot of helpful statistics you can pull and present to your clients.

3 DON'T GO STRAIGHT FOR THE HOME RUN

We can all get guilty of going straight for the home run. If you come on too strong and try to sell the most expensive, high-end policy, there's a huge chance you'll completely turn your clients off.

Ease into it and start from the simplest option. Even when you're selling a short-term policy, just get them over the hump to buy some initial coverage. Once you do that, you can revisit the situation during your annual policy reviews with ease.

4 TAKE IT AWAY

One of our favorite sales strategy is what we call "Take It Away." In sales, one of the most powerful things that you have is take away. Don't keep trying to push it on them; take it away from them.

If they pass for the Med Supp, they're probably going to pass for this. That's not a guarantee, but it's the case most of the time.

However, **you can make it clear that they do have to qualify.**

For example, "Right now your health is good, and right now you can get it. But we don't have a guarantee that in 6 months that'll still be the case."

Build the need and suggest that they at least put in an application, but make it clear that there is a chance they may not be accepted. This will put your clients in a completely different mindset — they'll be thinking, "Well, of course I'll be accepted... I'm perfectly healthy!"

And that's exactly where you want them; you want them to apply to prove you wrong, and you want that application in to get the ball rolling.

5 SELL TO EXISTING CUSTOMERS

The easiest way to make a short-term care sale is off an existing customer. You get the ball rolling with the Med Supp, because almost everybody is going to buy one.

Then, you say something like this:

"If you have assets to protect, this is something I just have to show you. Medicare and Med Supps don't pay for assisted living or home care, and they're limited in what they pay for a skilled facility.

Here, I can give you extra help by adding this policy to your Med Supp for not a whole lot more money."

If you've built trust and have an ongoing relationship with your existing customers, they'll be ready to listen to you if you have a suggestion.

You can do it right away by packaging it with a Med Supp (*see the next tip*), or you can come back to your existing customers months or even years later with this needed product that you're excited about.

SALES TECHNIQUES

George H. Pelekanos, Regional Vice President of Sales with Aetna explains:

“Just work your book of business. Go back to your clients and see them. Identify insurable risk, offer a viable solution, make extra money, and take care of your client. **It’s low-lying fruit.**”

We know of an agent who sold 12 short-term care policies in a two-week timeframe. All he’s doing is going back on his existing customers and picking up the sales. He’s focused in on it now. He told us he even sold one to an 87-year-old lady.

You can do this, too. You’ve done the legwork of getting the customer... why not start cross-selling to solidify that relationship even more?

6 PACKAGE WITH A MED SUPP

Sell short-term care as an add-on product.

You can set it up with the sale and bring back ideas later.

Here’s an example of what you could say:

“In a perfect world, the most Medicare and your supplement will pay is 100 days. And that’s only if you’re in a nursing home. And that’s only if you’re in the hospital first, and all these other constraints. And they don’t even cover assisted living or private home care, either.”

Right here, it’s easy to transition by saying something like:

“You know what, when I deliver your Medicare supplement policy in a few weeks, I’m going to bring back some ideas for you for covering that gap.”

That gives you some time to prepare some quotes and it gives your cli-

ent some time to start thinking about that potential coverage gap. It can be a lot easier to trigger a sale if the prospect is afraid of losing something. The fear of loss is a lot stronger than the excitement of gain.

Moral of the story: Make the loss real for them, and let it marinate for a few weeks.

7 SUPERSIZE IT

We all know McDonald’s trick — sell the hamburger at a low profit margin in the hopes that the customer will add on some fries and drink and maybe even supersize their meal.

The same strategy goes for selling insurance.

For example, “Do you want fries with that?” → “Do you want the short-term care coverage with that?”

When you present short-term care as an add-on, it appears that that’s exactly what most consumers do. There’s this underlying assumption that it’s so common that you just ask as a courtesy.

So, the next time you sell a Med Supp, try supersizing it. Many agents already do this with cancer plans and other add-on policies. While short-term care is slightly more expensive, it’s still a great product to tag on to your original sale.

8 NEED, LIKE, AFFORD

There’s three reasons why you buy anything: **you need it, you like it, and you can afford it.**

We used to write that down — need, like, afford — and then we’d break it down with our clients.

SALES TECHNIQUES

For example, “Mrs. Jones, if you went into a nursing home, would you need \$8,000 per month?”

Then you can check that off.

Then, “Do you like this carrier, etc.?”

Then you check that off, and all that’s left is affordability.

And that’s when you show them how to afford it. You might even package it with an annuity, because you have to find the income to pay for it.

It’s really a process, but when you’re making the sale, make sure you’re crossing off these three important points.

When it comes down to it, recovery care is a sale.

You have to build the need and help them along.

Once you do that, you’ve made the sale.

9 JUST GET THE CONVERSATION GOING

Most guys can relate to this dilemma: you want to ask a girl on a date, but you don’t know how to do it, you’re not confident, and you’re afraid.

But we find that once we just get the conversation going, we’re in.

A lot of times, that’s all it takes.

Once you’re in, you’re halfway there.

If you’re honest, you’re genuine, and you look professional, a simple conversation can take you all the way.

10 NO ISN’T PERMANENT

Back in the day, if we had customers who had assets to protect, we eventually got that long-term care in there if they could qualify. It might take us years (and sometimes it did), but every time we saw a client, we brought the subject up.

It wasn’t like “they told me ‘no’ today, so six months from now they’ll tell me no again.” That’s not the case at all.

If you’re asking the same thing over and over again, it’s because you believe your customers need it.

Maybe something has changed. Maybe one of their buddies just went through the need for recovery care. Maybe they have \$103,000 in their checking account, they just wrote a check for their real estate taxes, and their account dipped below \$100,000. They may decide to not write a check until it bounces back up.

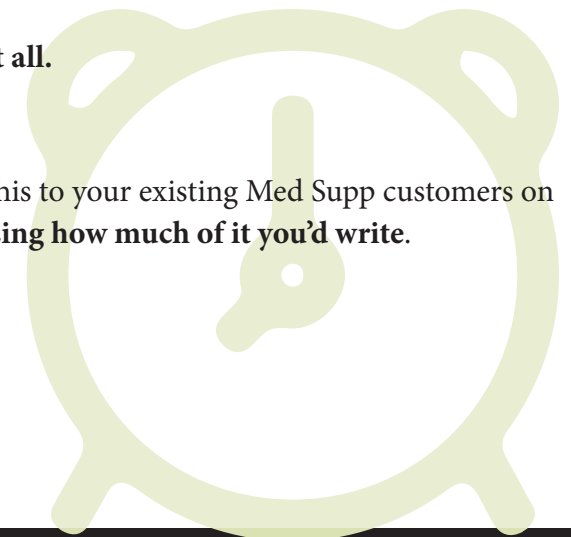
You never know.

The redundancy of being repetitive and seeing your customers regularly is so important.

No doesn’t mean forever at all.

Don’t stop asking.

If you just started offering this to your existing Med Supp customers on a regular basis, **it’d be amazing how much of it you’d write.**



CHAPTER 5

Calculating Rates and Application Details

If you've been selling similar policies, you probably already know how to calculate rates, but we do want to just breeze through this to make sure that none of us are doing this for the first time in front of a client.

Let's calculate a rate for Aetna. For Aetna's Recovery Care plans, at least one unit (\$10 per day) of Hospital Indemnity must be purchased with the Daily Nursing Facility benefit.

Aetna's formula is $\text{Premium} = (A+B+C) \times \text{modal factor}$

A = number of units of base Daily Nursing Facility benefit x annual premium per \$10/day

B = number of units of base Daily Hospital benefit x annual premium per \$10/day

C = number of units of Home Care benefit rider x annual premium per \$150/week

We're not going to use the Home Care benefit rider, so we can say:

$$\text{PREMIUM} = (A+B) \times \text{MODAL FACTOR}$$

The rate chart starts on page #3 of the Rate Guide packet.

Let's pick a 70-year-old that wants a 180-day benefit period with a 100-day elimination (or waiting) period.

Go to the chart and match up the columns. The number is \$31.20. That's for \$10 per day.

Let's say we want \$150 per day of nursing facility coverage. If the rate is for \$10 per day, we'd need to multiply it by 15 to get the number for \$150 of coverage. ($\$10 \text{ per day} \times 15 = \150 per day)

So, let's take $\$31.20 \times 15$. The annual premium would be \$468.

As we mentioned above, a minimum of \$10 per day hospital benefit is required. We'll go with \$10, so we refer to the hospital benefit rate chart on page #5 in the rate guide, and for a 70 year old, we get \$30.20 for the annual premium.

CALCULATING RATES AND APPLICATION DETAILS

Daily Nursing Facility benefit

| Issue Age | 90 Day Benefit Period | | | 180 Day Benefit Period | | |
|-----------|-----------------------|---------|---------|------------------------|----------|---------|
| | 0 Day | 20 Day | 100 Day | 0 Day | 20 Day | 100 Day |
| 50 | \$8.45 | \$7.30 | \$3.55 | \$14.20 | \$13.20 | \$3.80 |
| 51 | \$8.60 | \$7.45 | \$3.60 | \$14.50 | \$13.45 | \$4.40 |
| 52 | \$8.80 | \$7.60 | \$3.70 | \$14.80 | \$13.70 | \$5.00 |
| 53 | \$9.00 | \$7.75 | \$3.80 | \$15.10 | \$13.95 | \$5.60 |
| 54 | \$9.15 | \$7.90 | \$3.85 | \$15.40 | \$14.20 | \$6.20 |
| 55 | \$9.35 | \$8.00 | \$3.95 | \$15.70 | \$14.50 | \$6.80 |
| 56 | \$9.50 | \$8.15 | \$4.00 | \$16.00 | \$14.75 | \$7.40 |
| 57 | \$9.70 | \$8.30 | \$4.10 | \$16.30 | \$15.00 | \$8.00 |
| 58 | \$10.85 | \$9.10 | \$4.55 | \$17.90 | \$16.40 | \$9.10 |
| 59 | \$12.00 | \$9.90 | \$5.00 | \$19.45 | \$17.85 | \$10.20 |
| 60 | \$13.20 | \$10.70 | \$5.50 | \$21.05 | \$19.25 | \$11.30 |
| 61 | \$14.35 | \$11.50 | \$5.95 | \$22.60 | \$20.70 | \$12.40 |
| 62 | \$15.50 | \$12.30 | \$6.40 | \$24.20 | \$22.10 | \$13.50 |
| 63 | \$17.05 | \$13.90 | \$7.30 | \$27.25 | \$24.95 | \$15.30 |
| 64 | \$18.60 | \$15.45 | \$8.15 | \$30.30 | \$27.80 | \$17.10 |
| 65 | \$20.10 | \$17.05 | \$9.05 | \$33.30 | \$30.70 | \$18.90 |
| 66 | \$21.65 | \$18.60 | \$9.90 | \$36.35 | \$33.55 | \$20.70 |
| 67 | \$23.20 | \$20.20 | \$10.80 | \$39.40 | \$36.40 | \$22.50 |
| 68 | \$26.05 | \$22.60 | \$12.10 | \$44.15 | \$40.85 | \$25.40 |
| 69 | \$28.90 | \$24.95 | \$13.45 | \$48.90 | \$45.30 | \$28.30 |
| 70 | \$31.70 | \$27.35 | \$14.75 | \$53.60 | \$49.70 | \$31.20 |
| 71 | \$34.55 | \$29.70 | \$16.10 | \$58.35 | \$54.15 | \$34.10 |
| 72 | \$37.40 | \$32.10 | \$17.40 | \$63.10 | \$58.60 | \$37.00 |
| 73 | \$41.05 | \$35.30 | \$19.10 | \$69.45 | \$64.25 | \$40.40 |
| 74 | \$44.70 | \$38.45 | \$20.75 | \$75.80 | \$69.90 | \$43.80 |
| 75 | \$48.30 | \$41.65 | \$22.45 | \$82.20 | \$75.60 | \$47.20 |
| 76 | \$51.95 | \$44.80 | \$24.10 | \$88.60 | \$81.30 | \$50.60 |
| 77 | \$55.60 | \$48.00 | \$25.80 | \$95.00 | \$87.00 | \$54.00 |
| 78 | \$59.85 | \$51.75 | \$27.30 | \$101.40 | \$92.70 | \$57.40 |
| 79 | \$64.10 | \$55.50 | \$28.80 | \$107.80 | \$98.40 | \$60.80 |
| 80 | \$68.30 | \$59.20 | \$30.30 | \$114.20 | \$104.10 | \$64.20 |
| 81 | \$72.55 | \$62.95 | \$31.80 | \$120.60 | \$109.80 | \$67.60 |
| 82 | \$76.80 | \$66.70 | \$33.30 | \$127.00 | \$115.50 | \$71.00 |
| 83 | \$81.65 | \$70.75 | \$34.30 | \$133.40 | \$121.20 | \$74.40 |
| 84 | \$86.50 | \$74.80 | \$35.35 | \$139.80 | \$126.90 | \$77.80 |
| 85 | \$91.30 | \$78.80 | \$36.35 | \$146.20 | \$132.60 | \$81.20 |
| 86 | \$96.15 | \$82.85 | \$37.40 | \$152.60 | \$138.30 | \$84.60 |
| 87 | \$101.00 | \$86.90 | \$38.40 | \$159.00 | \$144.00 | \$88.00 |
| 88 | \$105.85 | \$90.95 | \$39.40 | \$165.40 | \$149.70 | \$91.40 |
| 89 | \$110.70 | \$95.00 | \$40.45 | \$171.80 | \$155.40 | \$94.80 |

We add that to the \$468 for a grand total of \$498.20 annual premium. As you can see, that's really affordable.

| | |
|--|----------------------|
| ANNUAL PREMIUM FOR \$10/DAY NURSING FACILITY BENEFIT | = \$31.20 |
| \$150/DAY BENEFIT = \$31.20 X 15 | = \$468.00/YR |
| ANNUAL PREMIUM FOR \$10/DAY HOSPITAL BENEFIT (MIN. 1 UNIT) | = \$30.20 |
| TOTAL ANNUAL PREMIUM | = \$498.20/YR |

| | |
|------------------------------|---------------------|
| MONTHLY PREMIUM MODAL FACTOR | = 0.08333 |
| \$498.20 X 0.08333 | = \$41.52/MO |

It's always a good practice to give your clients more than one option. Bring a few different rate cards with you and give some options.

We like to come prepared with three. Not that three is better than two, but there's just something about presenting Option A, Option B, and Option C.

Instead of asking your client if they want the policy, **ask which one they want**. If you come with those different options, you can more easily shift the question to assume the sale.

| Per \$10/day | |
|--------------|----------------|
| Issue Age | Amount |
| 50-54 | \$13.00 |
| 55-59 | \$15.60 |
| 60-64 | \$18.80 |
| 65-69 | \$23.50 |
| 70-74 | \$30.20 |
| 75-79 | \$38.10 |
| 80-84 | \$44.80 |
| 85-89 | \$49.00 |

Daily Hospital benefit

APPLICATION DETAILS

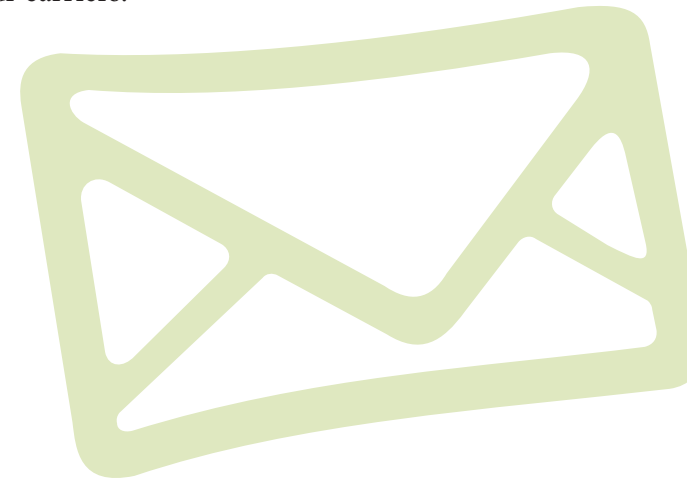
As far as filling out the application, you're in luck.

Short-term care apps look just like a Med Supp app. If your client has a Med Supp, chances are they can get this, too.

There's no checklist, no face-to-face assessment, and no medical records.

The major plus of a short-term care app versus the long-term app is that the app is simple and the turnaround time is much, much faster.

You can find more specifics in the Underwriting Guides for each carrier, but we have created a chart that compares health conditions for all of our carriers.



HEALTH CONDITIONS AND QUESTIONS

This short chart features the most common health conditions that we come across when we're unsure about acceptance. For the most part, common conditions such as AIDs, Alzheimer's, and Dementia will not be accepted, but what about Diabetes and Atrial Fibrillation? This chart will give you a quick side-by-side comparison.

UNL has a very simple application with hardly any health questions. If you have a client with a traditionally uninsurable condition, you may consider looking at their product

If a block is blank, that means the condition was not specifically mentioned in the underwriting

or application materials provided by the carrier at the time this chart was created. We do recommend confirming any of these instances with the carrier. Finally, all carriers have a prescription drug list in their underwriting guides. This is where you will truly be able to see if a client will be approved.



| | | | | |
|--|--|---|---|---|
| Atrial Fibrillation | | | | |
| Congestive heart failure | Decline if in last 3 years | Decline if in last 2 years | Decline in past 2 years | |
| Diabetes | Decline if requires 50+ units of insulin, has caused complications, or is in combination with a heart disorder | Decline if insulin-dependent now or in the last 2 years | Decline if requires 50+ units of insulin in the past 2 years | |
| Hospitalized | Decline if in last 2 years, 3 or more times | Decline if in last 2 years, 2 or more times | Decline if confined to hospital now or have been hospitalized in the last 12 months | Decline if the applicant expects to be admitted to a hospital in the next 60 days |
| Internal cancer (including breast and prostate) | Decline if in last 3 years | Decline if in last 2 years | Decline if in last 3 years | |
| Obesity | | See weight chart | See weight chart | Height and weight asked but not used in underwriting the app |
| Rheumatoid or disabling arthritis | | Decline if in last 2 years | | |
| Stroke | Decline if in last 2 years | Decline if in last 2 years | Decline if in the last 2 years | |
| TIA | Decline if in last 2 years | Decline | | |

Underwriting information pulled from carriers' underwriting guides and/or application questions. Last updated 4/15/2021.

CONCLUSION

Be THE insurance guy or gal.

Don't put yourself in a box by just selling one type of product. Use Med Supps as your hook to get the relationship going. Once you get it going... well, they like you now!

Go back and talk to them about an annuity or recovery care. They would love to do business with you, but it's so rare that any of us take advantage of this opportunity. Far too rare.

When you're talking to people, it can be huge to have a personal experience. I (Jeff) can tell you — whether it's the long-term care in a nursing home, assisted living, or even at-home care, **you cannot oversell this when the time comes.** Thirty days goes by so fast.

My dad wasn't in one of the top homes. We did pay extra for a private room, but you're up at \$8,000 a month. I don't care how much money you have... it's a shocker.

Don't shortchange yourself. If you can sell a short-term care plan, great. If you can get a full-blown long-term care plan, awesome.

Mention it to them and make sure they understand the costs involved. Not only do people have the burden of hoping that they get better or can just sustain the quality of life they have, but to the family... to see the financial burden it puts on the spouse... that's real.

This isn't made up.

Make it real in your presentation, and good selling!



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FRUIT FIRST!



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