Mutual of Omaha Insurance Company

Long-Term Care
Sales Ideas

Tips for Turning Needs and Concerns into Sales

M28712

Sales Ideas

Ever wonder how to find people to talk to...or how to begin a conversation about LTCi? Do you know what's keeping your clients up at night or what problem they're trying to solve? Can you effectively use features of the product to overcome their fears and address their concerns?

This booklet gives you tips and ideas to tackle these issues head on so you can turn your clients' needs and concerns into sales.

1. Become an LTC Educator
2. Uncover the Problem
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4. How to Find Prospective Clients
5. How the Cash Benefit Keeps People at Home
6. Security for an Uninsured Partner
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Sales Ideas

Tips for Selling LTC

September
2013

Become an LTC Educator

The Situation: People want to be educated

Consumer research tells us that most people admit to not knowing a lot about long-term care insurance. So they attempt to educate themselves. This includes talking to family members and friends, reading newspaper and magazine articles and researching online. The bottom line is they want to be educated so they can make an informed decision. Here are some things we learned about what education means to them – and what it doesn't:

- People don't want to be educated at the time of the sale. Instead, they prefer to learn about LTCi in a neutral setting where they're not being sold a product
- Education doesn't mean being bombarded with details about product features. Sure, people want to know what they're buying, but they also want an agent who understands their problem and they rely on him or her to make an appropriate recommendation

Sales Idea: Make education a top priority

- Stop "selling" and start educating people about LTC. Take time to talk to prospective clients. Get to know them. Find out what keeps them up at night. Build the relationship. Earn their trust. The sales are sure to follow

> *"I found I was putting off buying long-term care insurance because I knew I wanted to do research and it wasn't a decision I wanted to make lightly."*
>
> LTCi Buyer &
> Focus Group Participant

- Consider conducting educational seminars where people can listen, learn and ask questions in a relaxed atmosphere where they don't feel pressured to buy
- Start with the basics. What is it? How does it work? Why do people need it? Explain things in simple terms. Lose the jargon. Drop the sales pitch
- Don't get caught up trying to explain all the bells and whistles of the product. Instead focus on how LTCi helps people solve problems. Will it mean they won't have to rely on family members for care? Will it allow them to stay in their home as long as possible? Will it help protect their retirement nest egg? This is what they really want to know
- Reduce decision making to a few key questions. LTCi can appear complicated and confusing to prospective clients. So start by asking:
  - How much can you afford to contribute to the cost of your care?
  - How much will you need your policy to pay in benefits each month?
  - How long do you think you'll need long-term care services?
  - How long can you wait until your policy begins paying benefits?
- Take as much time as your client needs. No one wakes up saying, "Today's the day I'm going to buy a long-term care policy." People need to think about it. Let the idea percolate. Come to the conclusion that it's going to help solve a problem and provide a little peace of mind

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Tips for Selling LTC

October
2013

Uncover the Problem

The Situation: Consumers want to know you understand their problem

Consumer research tells us there are three primary problems people are trying to solve with the purchase of an LTCi policy:

- **Family** – Over half of the people we surveyed said they bought LTCi because they'd been a caregiver for someone with a chronic illness or disability. And this experience left them determined not to let that happen to their family. The last thing they want is for their kids to have to take care of them
- **Home** – Many people equate long-term care with a nursing home. And that's a place they don't want to end up. People who purchased LTCi did so to ensure they would have the option to receive care at home. They also felt it would allow them to maintain their independence and personal dignity
- **Nest Egg** – Long-term care services are expensive. And most people simply can't afford to pay for these services out of their own pockets. Survey participants told us they purchased LTCi to protect the assets they'd worked a lifetime to accumulate

Research also shows that most people aren't terribly interested in the bells and whistles of the policy. Sure, they want to understand what they're buying. But what they really want to know is how it's going to help solve their problem.

Sales Idea: Start at the beginning; take time to learn your client's primary concern

- Avoid the temptation to jump in and start selling. Instead, take some time to get to know your clients. Learn what concerns them most. Find out what's keeping them up at night
- Use our needs brochure to begin the conversation about LTCi. This piece is designed to help you identify the primary concern. Are your clients worried about having to rely on family members for care? Do they want to ensure they can stay at home as long as possible? Or are they concerned about protecting their retirement nest egg?

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- Once you know what concerns them most, use the appropriate needs flyer to address that specific concern head on

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- Now that you've demonstrated that you understand the problem, move on to show your clients how an LTCi policy can help provide a solution

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Tips for Selling LTC

November
2013

How to Begin the Conversation

The Situation: Your clients aren't eager to talk about long-term care

Most people don't want to think about growing old. They can't picture themselves unable to do all the things they currently do. And they certainly don't want to consider having to rely on someone else for care.

Sales Idea: Use these conversation starters to get people thinking...and talking about the future

Conversation Starter

If you're like most people, you plan to live a long life, right? Let's talk about how that could impact your spouse and children.

Most people believe they're going to live a long life, but few stop to think what that could mean. The fact is, people who live a long life get old. And that often means needing help with everyday activities. Let's talk about...

- Where you want to live
- Who you could rely on for help

Conversation Starter

Many of my clients have experienced the emotional, physical and financial toll of caring for a loved one. I want to make sure what happened to those families doesn't happen to yours.

A long-term care situation doesn't only impact the individual needing care. It also impacts the family. A long-term care situation can...

- Affect the caregiver through missed work, lost wages or exhaustion
- Cause family disagreements or hard feelings when one person assumes a greater share of caregiving duties
- Deplete a family's saving or require assets to be liquidated to pay for care

Conversation Starter

How do you plan to pay for the care you may need someday?

Health insurance doesn't pay for long-term care services. Medicare coverage is limited. And relying on Medicaid may mean spending down assets to qualify. A long-term care insurance policy may be the best way to...

- Help pay for the care you need in the setting you prefer
- Avoid the risk of depleting a lifetime of savings
- Continue to enjoy the life you planned

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Tips for Selling LTC

December
2013

How to Find Prospective Clients

The Situation: You know there are people out there who are interested in planning for their long-term care needs, but you're not sure how to find them.

Our consumer research revealed that a lot of people understand the need for LTCi, but they're wondering why no one has approached them about it. That tells us people expect to be contacted by an insurance agent. Yet in a survey of LTCi policyholders, less than one in 100 said they first learned about LTCi from an insurance agent.

Sales Idea: Look for people who match the profile of a typical LTCi buyer.

Surveying LTCi policyholders allowed us to capture a snapshot of a typical buyer. We found that most often, people who purchase LTCi share these similarities:

- Female, Caucasian, age 55 to 64
- Married with adult children
- Working in a white-collar profession; not yet retired
- College educated
- Living in a metropolitan area with a population of at least 250,000
- A homeowner with 11 or more years in the current residence
- Affluent; upper middle class with a household income of $100,000 or more
- A "planner" who is interested in financial issues; owns life insurance and other conservative investment products
- Family oriented
- Exposed to LTC issues; knows someone (a family member or friend) who has needed LTC services
- Research oriented; an online user; self-educated about LTCi
- Generally skeptical and mistrusting of financial advisors and insurance companies

Sales Idea: Start by searching your database of existing clients. You already have a built-in supply of prospects.

Your existing clients are the best place to start. These people already know and trust you, which makes them receptive to talking with you about LTCi. Just look for people who fit the profile of a typical LTCi buyer.

There also are other good places to find prospective clients, including:

- Centers of influence – Partner with accountants or attorneys in your area. These can prove to be mutually beneficial relationships
- Civic organizations – Join local organizations and make yourself known to the members of your community. Offer your services as a speaker at an upcoming meeting
- Associations – Place ads in association newsletters and offer to speak to the association's membership
- Referrals – Don't forget to ask everyone you talk to if they know someone who also could benefit from your services

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Tips for Selling LTC

January
2014

How the Cash Benefit Keeps People at Home

The Situation: Your clients intend to stay in their home as long as possible, and they have a good support network of family and friends who are willing to help. So they're questioning the need for an LTCi policy.

Most people don't want to end up in a nursing home. And today's LTCi policies provide a variety of benefits designed specifically to help people remain safely and comfortably at home.

Sales Idea: Explain how the cash benefit helps people stay at home.

When families gather to make tough decisions about the long-term care needs of a loved one, they're not thinking about how to get that person into a nursing home. Typically, their first priority is to make sure their loved one is cared for in the comfort of his or her own home.

Mutual of Omaha's built-in cash benefit is intended to help pay for long-term care services people receive at home. The cash can be used for any expense related to their long-term care needs. There's no elimination period to satisfy, no bills to submit for reimbursement, and no worrying about whether an incurred expense will qualify for coverage.

Here's how it works:

- When a policyholder goes on claim, he or she elects to receive policy benefits in cash. This is in lieu of reimbursement benefits
- There's no elimination period to satisfy. The cash benefit is available as soon as the policyholder qualifies for benefits under the policy
- The cash can be used for any type of long-term care expenses the policyholder chooses. This includes housekeeping services, care provided by family members, or other out-of-pocket costs
- The policyholder has the flexibility to switch between cash and reimbursement benefits at any time. Remember the policy's elimination period applies for reimbursement benefits; however, days in which the cash benefit is used do not count toward satisfying the elimination period for reimbursement benefits

The Cash Benefit Explained

- The cash benefit pays a percentage of the policy's home health care maximum monthly benefit amount
  - MutualCare® Secure Solution features a 30 percent cash benefit
  - MutualCare® Custom Solution features a 40 percent cash benefit
- The cash benefit is paid in advance each month, up to an initial maximum of $2,400 per month. This amount may increase if inflation protection is added to the policy
- If the policyholder is eligible for the cash benefit for less than an entire month, the benefit will be pro-rated. It's assumed each month consists of 30 days, regardless of the actual number
- When the policyholder is receiving cash benefits, no other benefits are payable under the policy

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Sales Ideas

Tips for Selling LTC

February
2014

Security for an Uninsured Partner

The Situation: After meeting with your clients, you determine that one partner may not be eligible for LTCi coverage.

When couples decide they need LTCi coverage, they're not happy to hear that one partner might not qualify. And often, instead of purchasing a policy for the insurable partner, they decide to try their luck with another insurance company, hoping it might accept them both.

Sales Idea: Use the security benefit to provide funds for an uninsured partner.

Mutual of Omaha's LTCi policies contain a unique optional rider specifically designed to address this situation. When added to the policy of the insurable partner, the security benefit provides additional funds that can be used to pay for care or living expenses for the uninsured partner. And that adds a measure of security for a couple facing a difficult situation.

Here's how it works:

- Upon discovering one partner may not be eligible for LTCi coverage, you recommend that the couple insure the healthy spouse and add the optional security benefit rider to the policy
- If the insured partner needs long-term care services and is unable to care for the uninsured partner, the security benefit will make additional funds available
- This money can be used to pay for any services or living expenses the uninsured partner might need

The Security Benefit Explained

- The security benefit pays up to an additional 60 percent of the policy's monthly reimbursement benefit paid for covered services, excluding cash benefits, if any
- There's no medical underwriting required for the uninsured partner
- Security benefits paid to the policyholder do not reduce the policy limit
- If the uninsured partner should die, the security benefit can be removed from the policy to reduce the premium
- The security benefit is available on both MutualCare Secure Solution and MutualCare Custom Solutions policies
- When adding the security benefit rider, only the partner (one issued) premium allowance is available
- The security benefit is not available for Class I or Class II health risks or for issue ages over age 69

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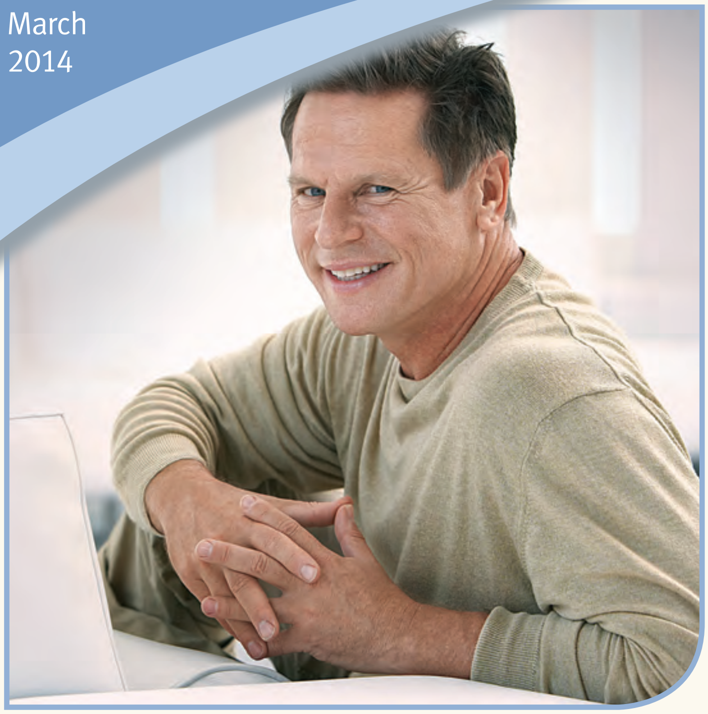
Tips for Selling LTC

March
2014



The Common Employer Allowance Explained

- A minimum of five applications is required. The initial five applications must be submitted together
- No employer endorsement is needed
- Simply complete the Common Employer Groups section on page two of each application. (There also is an indicator on page one of the application to help our customer service representatives look for group information)
- Then, submit the Common Employer Cover Sheet (M28378) along with the initial five applications. Be sure to include the names of all applicants plus the name of their common employer. (Note: If the cover sheet is not submitted, applications are likely to be processed without the Common Employer Allowance or they will be returned to you to resubmit when the five-application minimum is met)
- Once the common employer group is established, subsequent applications can be submitted under that common employer. Just indicate the common employer group number on any subsequent applications
- The Common Employer Allowance is available to the employee and his or her partner
- Employer sponsorships are not allowed; list billing is not available
- The Common Employer Allowance may not be added after issue
- The Common Employer Allowance is not available with the Association/Sponsored Group allowance or the Producer Allowance

Look for People with a Common Employer

The Situation: Your prospective client and many of his co-workers are interested in LTCi.

Bob, age 55, is planning for his future long-term care needs. He understands the importance of having an LTCi policy, but he wants to keep his premium as low as possible. In your factfinding, you discover that many of Bob's co-workers also share the same interest in LTC planning.

Sales Idea: Use the common employer allowance to generate multiple sales while helping your client and his co-workers save on their premium.

Targeting people with a common employer is a good way to generate multiple sales with minimal effort. It's easier than a true multi-life sale because there's no group approval to obtain. So when you're asking for referrals, be sure to ask prospective clients about their co-workers.

Here's how it works:

- Bob purchases an LTCi policy and provides you with the names of his co-workers
- When four of Bob's co-workers purchase LTCi policies from you, the common employer allowance is applied to all five policies, providing everyone a 5 percent savings

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Tips for Selling LTC

April
2014

How the Buy-Up Option Works

The Situation: Your client is uncertain about which inflation percentage to select.
You have a client who knows he needs to add inflation protection to the MutualCare® Custom Solution policy he's considering, but he's not sure which option is right for him. The Custom Solution product offers compound inflation protection options ranging from one to five percent in increments of .25 percent. And all those choices are making him feel a bit uncertain.

Sales Idea: Explain how the buy-up option ensures he can't make a wrong decision.
MutualCare® Custom Solution policies include an inflation protection buy-up option that allows insureds to increase (or decrease) their inflation protection percentage once each year. This gives them the flexibility to make adjustments to policy benefits to address their changing needs.

Here's how it works:

- Matthew, age 60, purchases a MutualCare® Custom Solution policy with one percent inflation protection
- Three years later, at age 63, he decides he would like to increase to 2.5 percent
- He submits his request in writing, and the increase becomes effective on the policy anniversary following the election with benefit increases occurring the following anniversary
- The premium on Matthew's policy increases because of this change; however, premium for the initial one percent remains based on his age at the time the policy was issued. Only the premium for the 1.5 percent difference is based on his new, attained age of 63
- Three years later, he once again exercises the buy-up option, increasing his inflation protection to 3.5 percent. Again, only the premium for the 1 percent difference (from 2.5 to 3.5 percent) is based on his attained age of 66
- Finally, at age 85, Matthew chooses to buy down to his initial 1 percent inflation option. At this point, his premium for inflation protection is based on issue age. In addition, he keeps any gains applied to the policy as a result of the inflation protection rider. Going forward, his policy benefits continue to grow at 1 percent

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<table>
<tr><th colspan="5">How the Buy-Up Option Impacts Premium</th></tr>
<tr><th>At Age:</th><th>60</th><th>63</th><th>66</th><th>85</th></tr>
<tr><td>Inflation Percentage:</td><td>1% initial</td><td>2.5% after buy-up</td><td>3.5% after buy-up</td><td>1% after buy-down</td></tr>
<tr><td rowspan="3">Premium for Inflation Protection Rider Calculated:</td><td rowspan="3">Based on issue age 60</td><td>1% based on issue age 60</td><td>1% based on issue age 60</td><td rowspan="3">Based on issue age 60</td></tr>
<tr><td rowspan="2">1.5% based on attained age 63 at time of buy-up</td><td>1.5% based on attained age 63 at time of first buy-up</td></tr>
<tr><td>1% based on attained age 66 at time of second buy-up</td></tr>
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The Buy-Up Option Explained

- The buy-up option is only available on MutualCare® Custom Solution policies
- Each year, on or before the policy anniversary date, the insured can choose to increase his or her compound inflation protection to any percentage we offer. The insured must elect this option in writing
- The total level of inflation protection cannot exceed five percent
- The premium for the policy will increase each time the buy-up option is elected; however, only the premium for the increase amount is based on the insured's attained age at the time of the increase
- The increase is effective on the policy anniversary following the election with benefit increases occurring on the following anniversary
- The increase is available prior to the lesser of 20 years or age 75
- The insured also has the option to buy down to a lower inflation percentage

Sales Ideas

Tips for Selling LTC

May
2014

The Benefit of Partnership-Qualified Policies

The Situation: Your client wants to protect a portion of her assets so she can leave an inheritance for her son.

Like most people, your client knows the need for long-term care has the potential to stretch on for years. She also knows care can be expensive. So she's looking for a way to protect a portion of her assets in order to leave an inheritance for her son.

Sales Idea: Discuss the benefits of a partnership-qualified policy.

The policies in the MutualCare® Solutions long-term care portfolio are intended to be partnership qualified, provided they have the appropriate inflation protection rider attached. Owning a partnership-qualified policy allows your client to protect a portion of her retirement savings while giving her a Medicaid safety net in case she needs ongoing care.

Here's how it works:

- Mary purchases a partnership-qualified policy with a $200,000 policy limit (total pool of dollars)
- When she needs long-term care services, she first uses her policy benefits to help pay for care
- Mary eventually uses her entire $200,000 policy limit; however, she still needs care, so she applies for long-term care benefits under Medicaid
- Because she owned a partnership-qualified long-term care policy, Mary is allowed to keep $200,000 in assets that she otherwise would have had to spend down to qualify for Medicaid, and those assets can be used to provide an inheritance for her son

Partnership Programs Explained

- Long-term care partnership programs are alliances between the states and private insurance companies
- Partnership programs are specifically designed to encourage people who otherwise might plan to rely on Medicaid for their long-term care needs to purchase long-term care policies
- Owning a partnership-qualified policy entitles people who deplete their policy benefits to retain a specific amount of assets and still qualify for Medicaid, provided they meet all other Medicaid eligibility requirements
- Asset protection is provided on a dollar-for-dollar basis. For example, someone who owns a partnership-qualified policy with a $200,000 policy limit can protect $200,000 in assets from the required Medicaid spend-down
- In order to be considered partnership qualified, the policy must be tax qualified and include inflation protection for applicants under age 76

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More about Inflation Protection

The Deficit Reduction Act of 2005 (DRA) spells out the inflation protection requirement for partnership-qualified policies. Each state has the right to determine the inflation percentages that qualify. Some states have reduced the inflation protection minimum to one percent. That's good news because it gives your clients a low-cost way to ensure a portion of their assets are protected if they need to apply for Medicaid.

Age at Time of Purchase	Inflation Protection Required
Under age 61	Compound annual inflation protection is required
Age 61 to 76	Some level of inflation protection is required
Over age 76	Inflation protection is optional

A Reminder about Partnership Training

States that participate in partnership programs require agents to complete an initial partnership training course plus periodic refresher courses in order to sell partnership-qualified policies. And certification must be on file with the insurance company you represent. So unless our records show you've completed the required partnership training, we won't be able to accept your long-term care applications. You can verify that your training records are up to date by calling 1-800-867-6873.

You also can find more information about partnership programs, including state-specific details, in our Partnership Overview & Training Requirements Guide on Sales Professional Access.

Sales Ideas

Tips for Selling LTC

June
2014

How to Get Maximum Benefits for Professional Home Health Care

The Situation: Your client is determined not to go to a nursing home, but she knows care provided at home can be expensive.

Staying at home is your client's top priority. She has a good support network – children who live close by who will check on her regularly and provide help with day-to-day activities. However, she doesn't want her kids to have the responsibility of being her primary caregiver. She intends to hire the professional services she may need and wants to make sure her policy provides maximum benefits for this type of care.

Sales Idea: The optional Professional Home Health Care rider can provide the additional funds your client may need.

A MutualCare® Custom Solution policy offers an optional Professional Home Health Care rider that provides additional funds for long-term care services provided by a nurse or skilled health-care professional. These extra funds can give your client the ability to get the level of care she needs.

Here's how it works:

- Sarah, age 60, purchases a MutualCare® Custom Solution policy with a $3,000 maximum monthly benefit. She adds the optional Professional Home Health Care rider for a nominal cost
- At age 80, Sarah suffers a stroke and becomes eligible to receive benefits under her policy
- Back at home after a hospital stay, her children are there to help with household chores, but because of her health condition, Sarah also needs the services of a visiting nurse as well as physical and speech therapists
- After satisfying the policy's elimination period, Sarah begins receiving policy benefits. However, for the first few months, the cost for the care she needs exceeds her policy's $3,000 maximum monthly benefit. So she uses the benefits of the Professional Home Health Care rider, which provides up to an additional 100 percent of the home health care maximum monthly benefit. That gives her access to up to $6,000 per month to help pay for professional home health care services

The Professional Home Health Care Rider Explained

- This rider makes additional funds available when the insured receives professional home health care services
- Professional home health care is defined as services provided by a nurse* or other skilled professional specializing in physical, respiratory, occupational or speech therapy, audiology, nutrition or chemotherapy administration
- If the insured's cost for professional home health care services exceeds the policy's home health care maximum monthly benefit in any given month, this rider provides up to an additional 100 percent of the home health care maximum monthly benefit
- This gives the insured the peace of minding knowing that additional funds are available, if needed

*Additional funds for home health care services provided by a nurse are limited to 365 days over the life of the policy

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Learn More

Looking for more tips, tools and training to help you connect with customers? Visit our online resource center at:

www.yourchoiceforLTC.com/tips-tools-training

If it's product details you're looking for, you'll find an overview of the MutualCare Solutions portfolio on the yourchoiceforLTC website. You'll also find complete details – everything you need to sell Mutual of Omaha's LTCi products – on Sales Professional Access, a secure website just for Mutual of Omaha agents.

Long-Term Care insurance is underwritten by:

MUTUAL OF OMAHA INSURANCE COMPANY
Mutual of Omaha Plaza
Omaha, NE 68175-001
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