

# The 5 Ws of Long-Term Care planning

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**As we sort through tens of thousands of survey responses** provided by nearly 1,000 agents and advisors to our recent survey conducted with Oliver Wyman we thought a discussion pertaining to the context and mood of what we are seeing and learning from around the industry is in order.

Long-term care planning continues to haunt, confound and yet inspire marketing efforts. Past advisor and consumer analysis point to the conclusion that private insurance solutions are needed. We know the best answers include leveraged insurance solutions, both public or private.

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Today only 250,000 per year are willing to pay a premium for additional insurance protection. Another 250,000 purchased life insurance with “no-cost” chronic illness ADBR’s, however, no one is certain that these “living benefit riders” made the life insurance purchase “easier” in any way or if advisors or consumers see them as a value add. The long-term care planning community does continue to garner important support from affiliated and non-affiliated distribution. Finally, the COVID-19 pandemic has increased overall mortality by 20%\* with a large proportion of deaths have taken place in an institutional setting we have tried so hard to serve.

## Where do we go from here?

- Create a new and improved approach to long-term care planning and risk mitigation.
- A re-examination of the emotional and financial firestorm created by an unplanned for long-term care event.
- A clear pronouncement about the value proposition and tax advantages of using insurance to mitigate the risk. Tax-free benefits and sometimes even tax-deductible premiums.
- Create a national voice for enhanced consumer awareness and buying action with a common theme we can all support. We need real-time reliable feedback on all aspects of the long-term care planning sales process. This would include a closer look at agent/ advisor and consumer motivations and who is selling and purchasing long-term care insurance planning solutions.
- Refocus the conversation on “purpose” as opposed to “price”. What can we do to help those who wish to stay at home when they need care and retain control of their overall claim destiny?
- Reduce premium to the greatest extent possible while still creating meaningful coverage. The challenge remains; how do we sell less to more and make it count.

Organizations such as NAILBA, NAIFA, CLTC, *LTC Bullet & Broker World Magazine*, along with traditional and combo insurance companies, affiliated and career distribution remain at the forefront of education, training and new product development. As American society ages the importance of providing individuals and families with liquidity to pay for care grows exponentially. Reliance on the government is not the best option. Our efforts to provide choices and peace of mind continue.

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