



Two Approaches to the LTC Conversation

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Agenda

Two approaches to the LTC conversation

- Effective way to have the LTC conversation
 - Resonates with the client
 - Style preference of the financial professional
- Two approaches
 - Emotional approach
 - Financial approach (“matter of fact”)
- Goal: Improve comfort using both approaches

Emotional Conversation

What it is and is not

- What it is not...
 - Scare tactic
 - Discussion about gross or uncomfortable things your child is going to do
- What it is...
 - Reality of need for care
 - Discussing need in relation to loved ones

John & Carmen

Hypothetical case study

- 62 male, 62 female
- Married
- 3 adult children & 6 grandchildren
- \$3.2mm set aside for retirement
- Goal: Understand need for LTC plan



Emotional Conversation

Risk versus consequence

33%

One in three people over age 65 die with Alzheimer's or some other form of dementia.

70%

An American turning 65 today has a nearly 70% chance of requiring LTC services in their lifetimes.

20%

And of those needing care, 20% will need it for longer than five years.

Emotional Conversation

Two simple questions

- First question: *“John and Carmen, you may never need long-term care, but if you did, how would this affect your family?”*
- Goal: Get clients to think about physical and emotional consequences.
- Purpose: Get clients to think about how no LTC plan affects their family.

Emotional Conversation

Two simple questions

- Second question: *“So, John and Carmen, if you did need care, how will you pay for it?”*
- Responses:
 - Government (Medicaid)
 - Traditional LTC insurance
 - Self-fund risk
- Additional option – Asset-based LTC policy

Emotional Conversation

Wrap-up

- Initiate the conversation more effectively
- Avoid some common roadblocks with LTC conversation
- Uncomfortable having emotional conversation?
Doesn't resonate with client?
 - Pivot to financial conversation

Financial Conversation

What it is and is not

- What it is not...
 - Not about LTC statistics
 - Not about failing 2 of 6 Activities of Daily Living (ADLs)
- What it is...
 - Looking at LTC planning as another retirement expense
 - Can cause retirement income needs to increase substantially
 - LTC plan is income stream can turn on to pay a specific retirement expense

Loretta

Hypothetical case study

- 65 female, divorced
- 2 adult children & 4 grandchildren
- Client for 10 years
- \$2.5mm in investments
- Goal: Review financial strategy, upcoming income needs, & ensure LTC planning for income risks



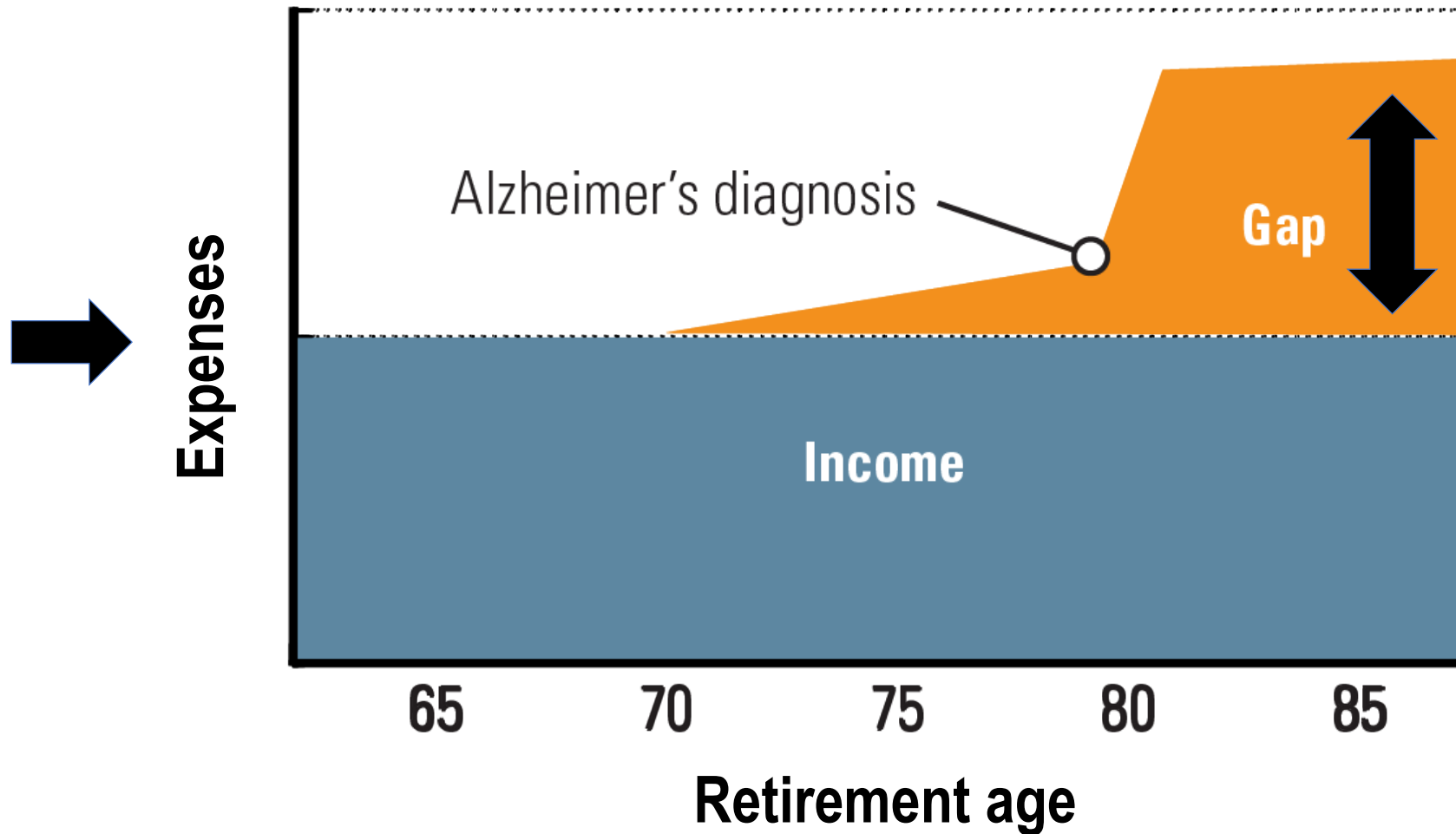
Financial Conversation

Starting the conversation

- Question: *“In your retirement years, what would be the reason for your income needs to suddenly skyrocket?”*
- Example: *“One day I get a call from you to say you need to begin taking out an additional \$100k more per year in addition to the \$100k already being taken. What could cause this to happen?”*
- Response: Some kind of “health” or “medical issue”
- Great Retirement Income Gap

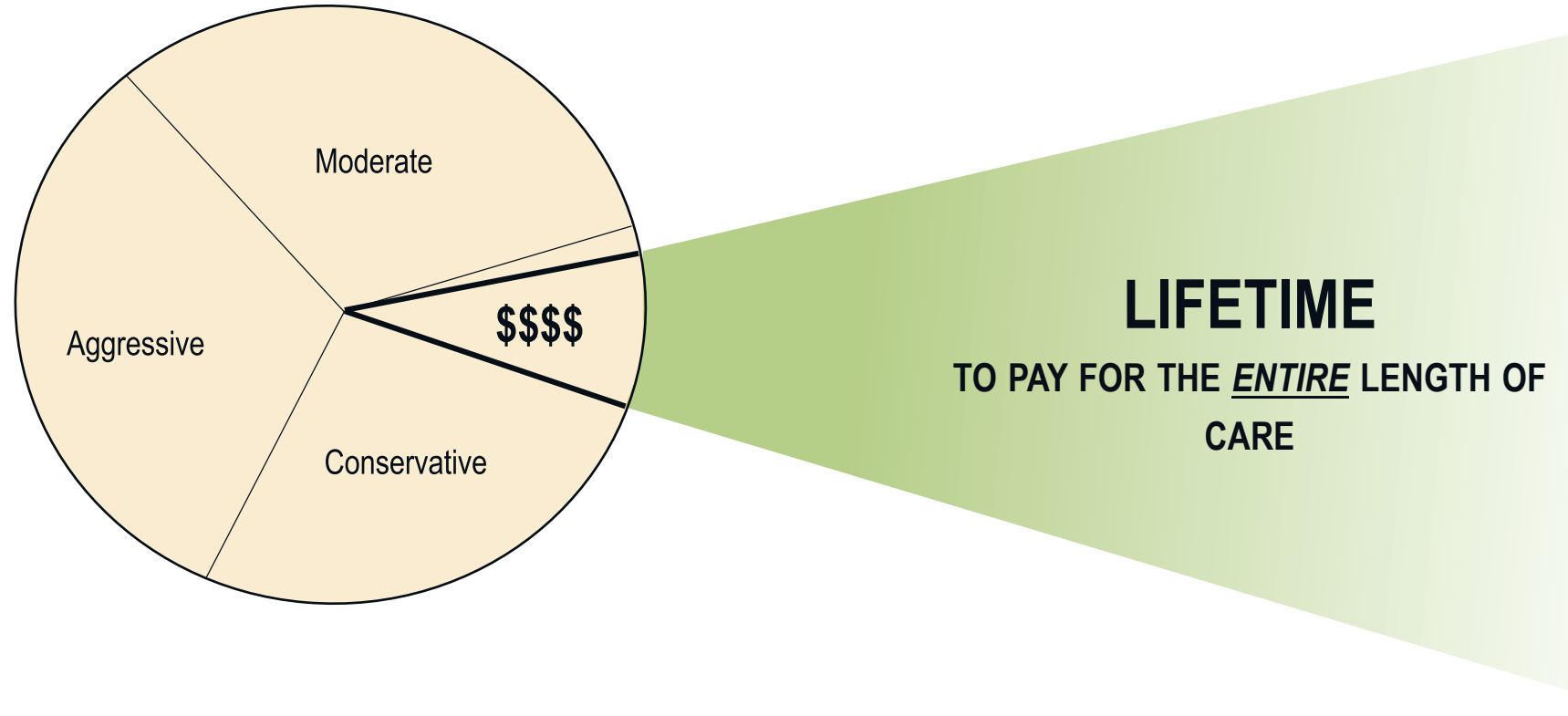
Financial Conversation

The “Great Retirement Income Gap”



Financial Conversation

Great Retirement Income Gap solution



Two Approaches to LTC Conversation

Summary

- More than one way to have LTC conversation
- Be able to pivot between emotional & financial conversations
 - Emotional conversation – Avoid risk & talk consequences
 - Financial conversation – Focus on need for income to cover a potential expense in retirement

Thank you for attending!

Please reach out to your marketer, back office,
or internal wholesaler with questions.



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