

Protecting Your Client Through a Dual Marketing System

In a Long Term Care (LTC) sale, the primary focus is the protection of the client's assets. Without this protection, a lifetime of hard work and planning can be destroyed in a very short time. Critical Illness (CI) insurance can help provide that same protection during another period of your client's life cycle — during the cycle before you normally approach for the LTC sale.

CI insurance pays out a lump sum benefit at a time when the insured has been diagnosed with a critical illness — the three most common critical illness diagnoses in the United States being heart attack, stroke, and life-threatening cancer¹. This insurance was designed a number of years ago by Marius Barnard, M.D. and initially marketed in South Africa. Markets in Canada and Great Britain use the product to fund needs left in the gap under a nationalized health plan.

While the United States does not currently provide a nationalized health plan, all would agree that two factors in the current economic environment make the opportunity for additional financial protection advisable for health and well-being issues. First is the growing transfer of more and more of the insurance cost to the employee. This, of course, is due to the high cost of health care. Nevertheless, it means less money in the pocket of the insured and their base well-being care more vulnerable. The second economic factor in this picture is the stock market decline. In recent years, many people have had their retirement savings, 401K plans, and investments impacted dramatically, leaving them without the financial confidence they had just a short time ago. Being faced with a significant illness and the need to liquidate those assets to pay expenses could put them at further risk financially.

Financial vulnerability is not the only risk for consumers today. One of the most challenging issues with the LTC sale can be the insurability risk. As people age, disease and a decline in physical health can prevent clients from qualifying for the needed insurance. In a CI sale, the client is usually much younger and in better physical condition. If you begin a client relationship with CI insurance purchased at a younger age and have good health as a benchmark, imagine how prepared you would be, knowing their health status and financial situation, when the time comes to encourage the LTC sale.

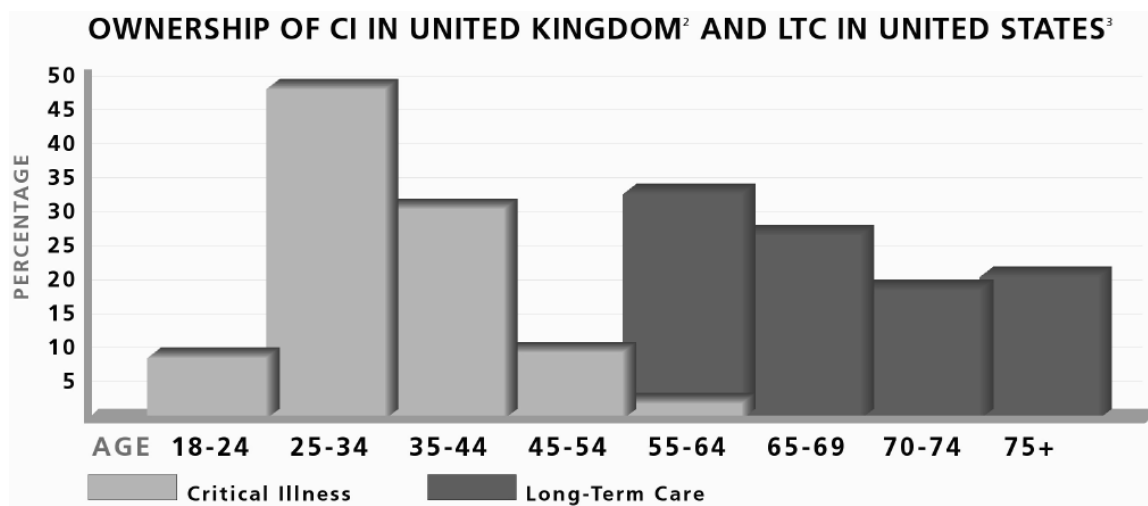
Beyond insurability, LTC products are designed for clients who are 50 and older so there is a disconnect when approaching a younger person about that product. If you have been focused on LTC sales but find yourself with an attentive younger client, you want to maximize the business opportunity. Offering these potential clients protection against an untimely critical illness in their peak earning years could prevent the erosion of their assets while giving them time to recover

from the illness and return to the work force. By successfully marketing to a younger, healthier client base using a most appropriate product, you could also help provide a solution in today's world that could translate into a future LTC sale.

A dual-model marketing system makes sense, potentially allowing you to double product sales per client. What a difference that could make in your production numbers. And, knowing the health status of your LTC clients would not only give you an advantage in making the sale, but also in building a more profitable practice. Taking the two-pronged approach in building your practice for the long term confirms our company's motto that states, "Doing the right thing is smart business". It is right for your client; it is right for you.

In an effort to build a base for understanding and education about the CI insurance product, the National Association for Critical Illness Insurance began working with stakeholders in the critical illness arena. Their mission is to educate and disseminate information in an effort to synchronize development of insurer programs, insurance regulation, and to enhance the public's and the producer's knowledge of the growing need for CI insurance. With raising awareness and understanding about CI insurance as their stated objective, what better way to accomplish this than to announce the 2003 NACII 1st Annual Conference. The event will be held September 12-23, 2003, in Braselton, Georgia (outside Atlanta) at Chateau Elan Winery & Resort. The keynote speaker for this year's conference will be Marius Barnard, M.D., the designer of the CI insurance product, along with many other industry experts. *

If, as a producer, you are involved in protecting your client's assets through the sale of LTC insurance, the CI insurance sale should not be left on the table. Attractive to the same audience, but at a different place in their life cycle, it meets the same concerns and can forge relationships that naturally become the first step to the later LTC sale, essentially building a stream of business for your practice.



¹ Daniel Pisetsky. "The Timing Is Right For Critical Illness Insurance in the U.S." National Underwriter 28 Oct. 2002: 8.

² Pete Jacques, Ph. D. "Critical Illness Insurance, A Lump-Sum Literature Review." 2002 LIMRA International, Inc.: 31.

³Health Insurance Association of America by Lifepans, Inc. "Who Buys Long-term Care Insurance in 2000? A Decade of Study of Buyers and Nonbuyers." October 2000: 16.

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