Long-Term Care is a concept that has been growing rapidly over the last decade. Why is that? One reason is that advances in modern medicine have resulted in longer life spans for individuals who might not have survived diseases or other serious medical conditions without the benefits of today’s treatments and emergency care. Also, as a result of advances in modern medicine, living longer makes having a plan in place in the event of needing long-term care even more important.

If you have ever talked with someone who has had a prior experience with long-term care and did not have a plan in place, you know the hardships it puts on the entire family emotionally, physically, and financially. However, for clients who haven’t had exposure to it, the conversation becomes exponentially more difficult.

This “Words That Work” piece is designed to help you have a long-term care conversation with clients, regardless of if they had a previous experience with it or not.

What is Long-Term Care?

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<th>What’s being said now</th>
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<td>“Long-Term Care helps protect you from having to pay out-of-pocket if you need to go into a nursing home.”</td>
<td>I will never need a nursing home, so why should I pay money for a product I will never need?</td>
<td>“Don’t associate Extended Care only with a nursing home or any particular condition. It’s a life-changing event that may have a significant impact to your financial strategy.”</td>
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For many clients, the term “long-term care” evokes an image of nursing homes, old people, or an insurance product. In turn, this often creates an issue before you sit down. Consider the term “extended care” or “care over an extended period of years.” Doing so will likely have the client asking, “What do you mean,” which then turns the conversation into an educational one rather than defending yourself with the client, who is on guard.

In addition, many clients believe that long-term care is nursing home insurance. It’s not; it’s much more than that. The hope is that care will never be needed; however if it is, being able to afford to keep a loved one at home is at the top of most clients’ lists. Having a plan in place helps to relieve some of the financial stresses placed on the family.

Being a Statistic

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<td>“70% of people will need some form of long-term care in their lives.”</td>
<td>I will be one of the 30% that does not need care.</td>
<td>“You may never need care, but if you did, do you understand what type of impact this may have on your financial strategy?”</td>
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Many clients believe that they will never need long-term care. So using statistics to justify why they need it will not resonate with them. Connecting with them on an emotional level about what it would do to those around them if they did need care and didn’t have a plan in place will resonate much more.
Whole Life Insurance — *The Words that Work*

**Let Them Lead**

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<td>“Let me educate you on the features and benefits of the rider so you can see what it will do for you.”</td>
<td>I will never need long-term care.</td>
<td>“So tell me what’s important to you as you start to think about retirement.”</td>
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Risk-based selling is fundamentally flawed. It is based on the incorrect presumption that the client is actually worried by the possibility of needing care. With rare exceptions, clients are not. Your success relies on the ability to connect with your client because people will insure those things that are important to them. Letting them lead the conversation will help you to uncover why you’re having the conversation in the first place and avoid a toxic environment due to conflicting interests that generate objections that are difficult to overcome.

**Paying for Care**

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<td>“If you need to use long-term care, how will you pay for it?”</td>
<td>I have enough assets to pay for my care.</td>
<td>“I agree with you. You likely have enough assets to cover the cost of care. But I have a couple of thoughts I’d like to share with you.”</td>
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The client believes that they will have saved up enough over time to pay for it if they need to, but are they really looking at the bigger picture? All of the following factors will affect the amount of assets they will have later in life:

- **Liquidity:** How easy will it be to sell their assets, will they be sold at a loss, and can the client raise enough cash to pay for care?
- **Market Conditions:** Will fluctuations in the market decrease the amount of assets being used to pay for care?
- **Taxes:** Selling certain kinds of assets can impose serious tax liabilities.
- **Lost Investment Opportunity:** If assets are being used for care, investment opportunities can be lost (if that’s a hot button of the client).
- **Legacy Assets:** Will paying for care cause selling assets that were put in place to be part of their legacy for beneficiaries or could they continue to be supported?

While the client may have enough assets to pay for care, how much impact will that have on their financial strategy and plans they have for them and their family?

**Medicare**

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<td>“What do you think will fund the plan since you agree that it is important?”</td>
<td>Medicare will pay for my care; it paid for my mother-in-law.</td>
<td>“Medicare is health insurance. It pays for medical and rehabilitative services, not custodial care.”</td>
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According to Medicare.gov¹, Medicare does not cover long-term care, or custodial care, if that’s the only care a client needs. Most long-term care isn’t medical care, but help with activities of daily living. Medicare does cover:

- Care in a long-term care hospital
- Skilled nursing care in a skilled nursing facility
- Eligible home health services
- Hospice & respite care

If clients require long-term care, Medicare may not cover their needs.

Medicaid

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<td>“Medicaid will pay for your nursing home care. ”</td>
<td>I will never need a nursing home and even if I did I wouldn’t want to end up there. And if I did, Medicaid will pay for it.</td>
<td>“While Medicaid covers custodial care in a nursing home or at home, there are general and financial requirements, which make it difficult to qualify for.”</td>
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Medicaid has strict criteria that must be met to be eligible to qualify. There are general requirements in addition to income and asset thresholds that must be met. According to the U.S. Department of Health and Human Services at LongTermCare.gov, here are a few of the items that must be satisfied to be eligible:

**General Requirements:**

For the most part, to be eligible for Medicaid, an individual must be one of the following:

- Age 65 or older
- Blind
- A pregnant woman
- A child, or the parents or caretaker of a child

In addition, eligible candidates must meet the following requirements:

- Be a U.S. citizen or meet certain immigration rules
- Be a resident of the state where they apply
- Have a Social Security Number

**Financial Requirements:**

Eligible candidates must also meet income and asset limits that vary by state. For financial requirements, please visit longtermcare.gov or Medicaid.gov.

While Medicaid can help pay for care, many people will not qualify due to the thresholds that are in place.

Extended Care is a very sensitive topic. Equip yourself to have effective conversations with clients by using Words That Work.
Financial professionals must be properly licensed and certified in life, health, and LTC in addition to being current with continuing education required by respective state laws in order to solicit or sell the long term care accelerated death benefit rider.

Please Note: MetLife Insurance Company USA and Metropolitan Life Insurance Company has designed this document to provide introductory information on the subject matter. State variations apply. Certain riders may not be available in all states. Descriptions herein are incomplete — for a full explanation of the terms and exclusions, please refer to the policy and the riders.

Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

Life insurance is medically underwritten. Clients should not cancel their current coverage until their new coverage is in force. Surrender charges may be due on an exchange of one contract for another. A change in policy may require a medical examination. Surrenders may be taxable. Clients should consult their own tax advisors regarding tax liability on surrenders.

Whole Life Insurance Products:
- Not A Deposit
- Not FDIC-Insured
- Not Insured By Any Federal Government Agency
- Not Guaranteed By Any Bank Or Credit Union
- May Go Down In Value

For more information, please contact us today.