Client Interview Road Map©

Sales Tracks
≈
Overcoming Objections
≈
"Power Phrases"
≈
Expanded Fact Finder

How to use this Road Map

The Road Map provides the tools you need to confidently approach new and existing clients and engage them in a discussion about the consequences, not having a plan for extended care, will have on the emotional, physical, and financial wellbeing of those he (or she) cares about.

Contents

A Review of CLTC Principles

Consultative Engagement:

CLTC principles are based on **Consultative Engagement**. The client is educated about how severe the consequences to those he loves would be if (never when) an unexpected event happened in his life. Explained correctly, the client is forced to make a decision:

- He may decide that those consequences are not severe enough. This might be expressed in the following statement:
  - *"My wife should be taking care of me" or "I took care of my kids, let them take care of me."*
  - You could try asking him if he truly understands what providing care would do them. If he states he does then… move on.
- Or, he could decide that those consequences are too severe. If so, he will let you put together a plan to protect those he loves, while still believing that he will never need care.

Other uses: Life insurance and Disability Income insurance

The importance of asking: "Tell me what's important to you"

Put simply, people insure things that are important to them. Asking this question at the beginning of the interview immediately determines whether the individual is worth spending time with. The classic answer by a prospect when selling life insurance is of course, "my family." The answer would be followed with questions focusing on the financial commitments needed to be kept if an unexpected death occurred during working years.

The same question should be asked when interviewing people who are either looking forward to retirement or are already there:

"May I ask, what's important to you in retirement?"

My family, of course.

"If I may, what responsibilities do you now have that you didn't think you would have 10-15 years ago? And, if I may, do you see assuming additional financial obligations in the future?"

Note: These commitments will be used further in the interview when it is suggested that the individual may not be able to keep them and pay for care at the same time.

Thoughts on why people purchase insurance:

- A reasonable person who loves his (or her) family and has found success in life will never insure against his death during working years because there is 0% risk in his mind of it happening. He will, once educated, insure against the emotional, physical and financial consequences an unexpected death would cause to his family.
- A reasonable person who loves his (or her) family and has found success in life will never insure against his becoming disabled during working years because there is 0% risk in his mind of it happening. He will, once educated, insure against the emotional, physical and financial consequences an unexpected disability would cause to his family.
- A reasonable person who loves his (or her) family and has found success in life will never insure against a stroke, dementia or any other chronic illness because there is 0% risk in his mind of it happening. He will, once educated, insure against the emotional, physical and financial consequences an unexpected need for care over a period of years would cause to his family.

The Three-Step Process leading to Three Key Agreements:

Step 1: The client must agree that he could live a long life and if he does, may become frail.

Step 2: The client must agree that if extended care[1] were needed there would be serious consequences to the emotional, physical, and financial wellbeing of those who would provide that care. If he does, then you can put together a plan that mitigates those consequences.

Step 3: The client must agree that the only viable funding source for that plan is long-term care insurance.

The plan

The plan is very straightforward. It's to allow your client to remain safe, at home, while mitigating the two sets of consequences creating by needing care. It preserves:

1. The emotional, physical and financial wellbeing of his or her family by allowing them to supervise care, not provide it.
2. The client's retirement portfolio so it can continue to generate income and ensure that the retirement plan executes properly.

What long-term care insurance actually does

It provides a predictable stream of income that funds the plan[2] to keep your client safe at home while preserving the emotional, physical and financial wellbeing of those he or she cares about. If care is needed, LTCi…

- Allows caregivers to supervise rather than provide care
- Becomes a second gift of life to children who do not have to place their lives aside to provide care
- Protects the client's primary source of income from retirement funds which means they can continue to be used to keep financial commitments (lifestyle)
- Allows the tax and estate plan to execute properly which likely includes minimizing taxes and securing the financial viability of a surviving spouse or others

Notes

[1] Consider using the term "extended care" rather than "long-term care". The former leads to the question "What do you mean?", whereas the latter may get you into a debate or direction you do not want to go: "You're talking about nursing homes" or "Aren't you talking about insurance". Also consider using the work "frail" not "sick". People likely agree they may become frail but not sick.

[2] Refrain from telling the client the policy pays for his care. Doing so gives him the opportunity to tell you that he will never need care. Remember it is a funding source for a plan, not for him.

Sales Tracks - How to initiate a discussion about extended care

There are two types of clients - Existing and Prospective. Regardless of the type, the question is the same… "Have you or someone you know had a prior experience with extended care?"

Example: **Existing client who is married with children**

"Alan, any questions on the (financial or insurance) portfolio we just reviewed?"
No, I am up to date.

"I haven't asked you this in a while. What's important to you as you look forward to retirement?"
What do you mean?

"What responsibilities do you anticipate taking into retirement?"(The client will list his responsibilities)

"I need to talk to you about what would happen to Ellen and your children emotionally, physically and financially should you live a long life and perhaps need care over a period of years."

If the response is: *What do you mean?*

Ask… "Have you or someone you know had a prior experience with extended care?"

If the answer is *yes,* go to Prior Experience on page 6. If *no,* go to No Prior Experience on page 7

Example: **Prospective client generated by a lead**

"May I ask, what motivated you to meet with me?" The response will likely be one of the following:

My_____(friend, advisor, etc) referred me.
I am looking for a quote.
I just read something about it.
I just want to get some information.

Ask… "What have you heard? What questions do you have?"
The subject is likely to be LTCi. Do not respond by talking about the product, but instead try…

"The issue is extended care and what the consequences not having a plan will be to your family and retirement portfolio."

If they persist with asking for a quote or information about LTCi, try…

"The issue is not long-term care insurance, its extended care. The product may or may not be appropriate. What is appropriate is a discussion about the consequences not having a plan should you need care over an extended period of years will have on the emotional, physical and financial wellbeing of your family. I'd like to ask you a few questions in order to create a plan for care, should you need it."

"Have you or someone you know had a prior experience with extended care?"

If the answer is *yes,* go to prior experience on page 6. If *no,* go to no prior experience on page 7

Key Questions and Talking Points

Response to clients with <u>Prior</u> extended care experience

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep prior financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? If so, were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children/family?
- Did he/she understand the consequences not having a plan would be on his/her family or friends and his/her retirement portfolio?

There are three reasons you are asking these questions:

1. Experience is persuasive. He is likely to listen to your ideas about creating a plan to protect his family if he has seen first hand how severe the consequences were to his family if there was no plan.
2. Asking these questions lets the client know you understand the business of extended care.
3. It gives you an opportunity to share your experiences, creating a bond.

Note: Listen more, talk less. If the client has shared a difficult story/situation, pause before responding.

Response to clients with <u>No Prior</u> extended care experience

"Let me first ask, do you know what extended care is?"

Nursing homes	Answer: No.
Alzheimer's?	Answer: No.[3]
What is it?	Answer…

"It's not a particular illness or place, but rather a life-changing event. That event is a chronic illness such as Parkinson's or a stroke, or cognitive impairment such as dementia."

"By definition these impairments severely compromise your ability to get through the most basic of daily routines. The result is, you are no longer safe, meaning you would require almost constant care."

"Providing this care would have devastating consequences to your family emotionally and physically."

"There are financial consequences as well. Paying for care will impact your ability to keep financial commitments. It will also disrupt every plan you have in place to secure the financial viability of your family."

"Please understand, I am not suggesting that you will need care. I am not focusing on that risk of you getting a chronic illness, but rather the severe consequences if you did. That said, what impact do you think providing care over a period of years would have on the emotional, physical and financial wellbeing of your family?"

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about start the transition to the Three Key Agreements on the next page…..

Notes

[3] Keeping answers to one word forces the client to give you another answer. Never agree that it is a condition. It will allow him to tell you the condition will never happen. It is an event requiring assistance, involving his family.

Using the 3-Step Process to Establish Key Agreements

Step 1: **The client must agree he could live a long life and if he does may become frail.**

"So Alan, let me ask you, do you believe it's possible that you could live a long life?"

"If so, do you think it's possible, not probable, that you could become frail and need care?"

Note: If he agrees, you have established Agreement 1. If not, go to Overcoming Objections on page 10.

Step 2: **The client must agree that if extended care were needed, there would be serious consequences to the emotional, physical and financial wellbeing of those who would provide the care.**

"I think you now understand that providing care would have devastating consequences to your family. So the question is… what's your plan to mitigate thoseconsequences?"

Note: The client will likely say, *I don't know.*

"I'd like to create a plan that allows you to remain safe at home while preserving the emotional, physical and financial wellbeing of those you care about (use specific names if appropriate). May I do that?"

Note: If he agrees, you have established Agreement 2.

"The plan is very straightforward. It's to allow you to remain safe, at home, while preserving the emotional, physical and financial wellbeing of your family. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must agree that the only viable funding source for that plan is long-term care insurance.**

"Now that the plan is in place, what do you think will fund it?"

Note: At this point, the client may bring up any number of alternatives, including:

- Self-funding
- Medicare
- The VA
- Medicaid

Please review how to overcome these objections on page 10. If he answers, *I don't know,* move directly to long-term care insurance.

Notes

The Case for Long-Term Care Insurance

"I want to talk to you about LTCi as a funding source for the plan I put together to allow you to remain in the community should you need care, while preserving the wellbeing of your family. First, what do you think LTCi does?"[4]

The client / prospect responds with…

It pays for nursing homes	Answer: No[5]
It pays for my care	Answer: No
It protects my assets	Answer: No
I do not know	Answer…

"LTCi provides a stream of income that will fund the plan to keep you safe at home. Here's how it works"

- "The stream of income pays for your care. By doing so, it allows your spouse (or others) to supervise, rather than provide care." (Explain the difference)
- If there are children, "It a second gift of life for your kids, because they would have no option but to place their lives on hold to provide your care."
- "Since care is paid for, you never have to reallocate your income. This allows you to keep all your financial commitments."
- "Since no money has to be spent on your care, you never have to invade your investment portfolio."

If the client asks, *What if I never need to use it?*

Respond…
"I hope you never use it. But please remember, the product was never for you in the first place. It's no different than owning life insurance." (Explain why)

"And if you really concerned about not using the product, I can put together an illustration that returns the premium you paid back to your estate. Would you like to see how it works?"

Yes.

Notes

[4] You want to find out what the client thinks it does up front so you can correct him.

[5] The product has nothing to do with the client. Agreeing that it does, will give him the opportunity to tell you he will not need care. LTCi should always be positioned as a funding source for the plan to protect his family.

Overcoming Objections

I don't think I will live a long life. My dad died at 60.

"You may not. But if you do and you need care, do you see how serious the consequences would do to the emotional, physical, and financial wellbeing of_____(fill in the name/names)?

"You may not, but respectfully, tell me in your own words what you think taking care of you over a period of years will do to the emotional, physical and financial wellbeing of your family?"

What if I never need care?

"You may not, but, if you did, do you understand what taking care of you over an extended period of years would do to the emotional, physical and financial wellbeing of your family?"

If I need care, my kids will take care of me.

"Tom, you have to think for a minute about what taking care of you over a period of years, will do to their emotional and physical wellbeing. The issue with extended care is safety. If you cannot get through the most basic of daily routines because of a chronic illness or cognitive impairment, the consequences are severe. I can also tell you, from my experience, it is unlikely that both of them will provide your care. That may very well lead to hard feelings."

I'll take care of my mother.

"I know you will. I want to talk to you about a way you can do it better and longer. It's part of plan that allows your mom to remain at home safe and have you supervise, not provide her care."

I'll just put a gun in my mouth.

"Please don't say that. You're not going to put a gun in your mouth. Please answer the question: What do you think providing care to you over a period of years will do the emotional, physical and financial wellbeing of your wife and children?"

I am interested learning about long-term care insurance or ***I am just interested in getting a quote.***[6]

"The subject is not long-term care insurance, the subject is extended care and the consequences that not having a plan for care will have on your family, income stream and retirement portfolio."

[6] It's assumed this objection would be brought up at the very beginning of the discussion. Never take the "bait." Doing so leads you down the road of product, pricing etc.

I have enough assets to pay for my care.

"Assets don't pay for care. Income generated from your portfolio will pay for care. It may seem that $_____(value of assets) is enough, but it only generates $ per year in income, all of which is currently committed to support your lifestyle. Here's the problem, paying for care will likely mean reallocating income which, at a minimum, will adversely affect your ability to keep ongoing financial commitments. If the illness lasts long enough, it can impact the financial viability of your spouse and/or your children who may depend on an inheritance. And then there are the issues of who is going to provide care, where it is going to be provided and how it would be coordinated. Without a plan, answering these questions is likely to cause confusion, frustration and hard feelings between the children, who will have no choice but to get involved."

My financial planner/lawyer/CPA told me I can easily pay for the cost of my care.

"Let me just take a moment to bring a couple of issues to your attention. Have you considered that having the resources to pay for care does not address the critical issues of…

- Who will provide your care?"
- Where it will be provided?"
- How it is going to coordinated?"

"Without a plan answering these questions is likely to cause confusion, frustration and hard feelings between the children who will have no choice but to get involved.

"Consideration should be given to the true cost of paying for care out of your pocket. For example:

- Do you have enough liquidity to cover the cost?"
- Have you considered the tax consequences of selling qualified or low cost based assets?"
- Market timing is another concern What if assets had to be sold in a down market?"
- How about the lost investment opportunity on those assets?"

"There is the issue of how long care may be needed. The average life expectancy of an Alzheimer's patient is 8 to 10 years. The math becomes overwhelming."

"Then there is the simple, plain truth that paying for care comes out of the pocket of your heirs and charities (if any)."

I am a veteran. The VA will pay for my care.

"It will. The problem is that you will not qualify financially. Custodial care is provided primarily for those with limited income and assets under the **Aid & Attendance Enhanced Pension Benefit**. You have too many assets and income to qualify for coverage."

Medicare will pay for my care

"Medicare is health insurance. It pays for medical and rehabilitative services. It does not pay for custodial care."

…but it paid for my mother-in-law

"It likely did years ago, but the law changed in 1998."

My attorney told me Medicaid would pay for my care in a nursing home.

"Medicaid will pay for custodial care in a skilled nursing home. The problem is that the plan we established calls for keeping you at home. Simply put…

- Medicaid cannot be a viable funding source for the plan because it pays little or nothing for home care, adult day care, and or assisted living."
- Medicaid is of no help in protecting the emotional and physical wellbeing of your caregivers for all the years you are home."
- Medicaid is not free. If you have qualified funds or low cost-based assets, there are serious tax considerations."
- Once on Medicaid, your wife (husband) could lose most if not all of your monthly income."

Notes

Power Phrases

- What's important to you as you start to think about retirement?[7]
- I need to talk to you about what would happen to Ellen and your children emotionally, physically and financially should you live a long life and perhaps need care over a period of years.
- There are two distinct sets of consequences to your family should you need care: The first is to their emotional and physical wellbeing. The second is to their financial viability.
- You may never become frail and need care over a period of years, but if you did, the consequences to your family and retirement portfolio could be so catastrophic the subject must be discussed.
- Yes, chances of ending up in a nursing home are remote, but please do not confuse that with becoming frail and needing care.
- Tell me in your own words what you think taking care of you over a period of years will do the emotional, physical, and financial wellbeing of those you love?
- Providing care to chronically ill people often makes healthy caregivers chronically ill.
- Extended care doesn't bring families together, it tears them apart.
- People do not go to nursing homes when they should. They go when the caregiver becomes as chronically ill as their loved one.
- Put simply, should you ever need care over a period of years, your life is not going to end … someone else's life is going to end.
- The damage in an extended care situation is not when you go to a nursing home it's when your family decides to keep you home.
- Assets don't pay for care, income pays for care.[8] As you know, your income matches your retirement expenses. I can't assure you that, should you need care, there will be sufficient cash flow to keep financial commitments and pay for care at the same time.
- Income has to be reallocated, which means you may not have sufficient cash flow to pay for care and keep your continuing financial obligations.
- Paying for care disrupts every plan in place. It disrupts a tax plan, a plan to wait out a down market, a special needs plan, a plan to secure financial viability during working years and after your death.
- If there are not enough funds to pay for care, your spouse may be forced to use hers (or his). My experience tells me this could create a whole host of issues with the children.
- Long-term care insurance acts as a firewall, allowing a couple to continue holding their assets separately, throughout their lives.

[7] People will insure things that are important to them. Remember there is not such thing as a discretionary expense to those with financial resources.

[8] Always reduce assets to what they generate in income.

Customized Sales Tracks

The questions you ask depend, to a degree, with whom you are speaking. Families come in all sizes and shapes. The following selling scenarios are tailored to:

- Married with children
- Single no children
- Married no children
- Divorced or widowed with children
- Second marriages
- Same sex marriages / relationships
- Clients purchasing LTCi for parents

Notes:

- If you look carefully, there are variations on delivering the message. This is done to show you how flexible employing Consultative Engagement can be.
- Basic objections are addressed in these sales tracks.
- The sales tracks end with the client agreeing to allow you to develop a plan (Key Agreement #2).

Notes

Married with children

"Alan, any questions on the (financial or insurance) portfolio we just reviewed?"
No, I am up to date.

"I haven't asked you this in a while but tell me what's important to you as you look forward to retirement?"
What do you mean?

"What responsibilities do you anticipate taking into retirement?" (The client gives you a list)

"I need[9] to talk to you about what would happen to Ellen and your children emotionally, physically should[10] you live a long and ever need care over a period of years. I also need to discuss what paying for that care would do your ability to keep your financial commitments."

If the response is: *What do you mean?*
Ask… "Have you or someone you know had a prior experience with extended care?"

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep prior financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? If so, were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse / children / family?
- Did he / she understand the consequences not having a plan would have on his / her family or friends and his / her retirement portfolio?

If the answer is ***no:***
"So Alan, what do you think extended care is?"

A nursing home?	*Answer:* No
Dementia or something like that?	*Answer:* No
Not being able to take of yourself?	*Answer:* No

Alan asks, *What is it?*

"It's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to your wife, children and ability to keep financial promises during retirement."

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[9] Using the word *need* expresses a sense of obligation to a client and his or her family.

[10] Please remember you are it focusing either on the risk of living a long life or needing care. Doing so creates objections reviewed in Chapter 2 that are almost impossible to overcome. Using the words *should* and *ever* allow you to easily overcome them by simply saying *I never said you would live a long life or need care*. The emphasis then shifts to consequences.

Continue by explaining what causes a need for extended care, emphasizing the impact on others:

"Extended care is assistance you would need because you have an impairment. There are two types. A physical impairment is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but cannot be cured."
- As the illness progresses it compromises your ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is:

- Marked or measurable decline in your intellect such as Alzheimer's or other forms of dementia."
- As the illness progress it compromises your ability to safely interact with your environment or those around you."

"By definition, those you love would have no choice but to put aside their lives to make sure you are safe. Here are the direct consequences:

- Providing care to you will make you wife as chronically ill as you are."
- It will likely force one of the children to put aside her life (or his) life to help. This not only has an impact on her family but her siblings who may not help. I have often seen that when a child is involved it doesn't bring the family together…it tears themapart."

"I can't imagine you want your daughter involved?[11]"

Absolutely not.

"Respectfully Alan, my experience tells me she won't have much of a choice."

"Then, there is the issue of paying for care. It will force a reallocation of both your income and assets. The problem is that they were never meant to pay for care which means that paying will disrupt every plan you created to secure financial viability during retirement."

"Now I am not suggesting that any of these things will happen, but do you begin to see what would happen to those you love emotionally and physically if you needed care?"[12]

I never thought about it like that.

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about, start the transition to the Three Key Agreements:

Step 1: **The client must agree he could live a long life and if he does may become frail**

"So, Alan, let me ask you, do you believe it's possible that you could live a long life?"

"If you did do you think it's possible, not probable but possible that you could become frail and need care or a period of years?"

[11] If there is a daughter always mention her in this setting. Fathers are very protective of their daughters. This allows the conversation to focus, once again, on the consequences to those he loves, not the risk of needing care.

[12] Putting the question this way forces him to own the consequences.

Step 2: **The client must clearly understand the emotional, physical and financial consequences to those he loves if care is needed.**

"I think you now understand that providing care would have devastating consequences to your family. So the question is, what's your plan to mitigate those consequences?"

"I want to put together a plan that allows you to remain safe at home while preserving the emotional, physical and financial wellbeing of those you care about (substitute specific names if appropriate). Can I do that?"

Yes.

"The plan is very straightforward. It's to allow you to remain safe, at home, while preserving the emotional, physical and financial wellbeing of your family. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must understand that nothing will pay for the plan except long-term care insurance.**

"I want to talk to you about LTCi as a funding source for the plan I put together to allow you to remain in the community should you need care, while preserving the wellbeing of your family. LTCi provides a stream of income that will fund the plan to keep you safe at home. Here's how it works:

- The stream of income pays for your care. By doing so it allows your spouse (or others) to supervise rather than provide care (explain the difference). If there are children tell the client that this is a gift of life for them because have would have no option but to place their lives on hold so they could provide care
- Since care is paid for, you never have to reallocate your income. This allows you to keep all your financial commitments
- Since no money has to be spent on care, you never have to invade the investment portfolio"

Single no children

Assumptions: The client has a close network of friends, a brother she is close to and a favorite nephew.

"Roberta, any questions on the portfolio (or insurance) portfolio we just reviewed?"

No, I am up to date.

"I haven't asked you this in a while, but tell me what's important to you as you look forward to retirement?"

What do you mean?

"What responsibilities do you anticipate taking into retirement?" (The client gives you a list)

"I need to talk to you about what would happen to_____(fill in family members the client is close with and or friends) emotionally and physically should you live a long life and perhaps need care over a period of years. I also need to discuss what paying for care would do to your lifestyle including commitments during and after your death."

If the response is: *What do you mean?*

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? Were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children family?
- Did he/she understand the consequences not having a plan would have on his/her family or friends and his/her retirement portfolio?

If the answer is ***no:***

"So Roberta, what do you think extended care is?"
A nursing home? *Answer:* No
Dementia or something like that? *Answer:* No
Not being able to take of yourself? *Answer:* No

Roberta asks, *What is it?*

"Roberta, it's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to your husband and children and your ability to keep financial promises during retirement."

Continue by explaining what causes a need for extended care, always emphasizing the impact on others:

"Extended care is assistance you would need because you have an impairment. There are two types:
A physical impairment is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but can not be cured."
- As the illness progresses it compromises your ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is a:

- Marked or measurable decline in your intellect such as Alzheimer's or other forms of dementia."
- As the illness progresses, it compromises your ability to safely interact with your environment or those around you."

"By definition, those you love would have no choice but to put aside their lives to make sure you are safe. Providing care to you will make your caregiver as chronically ill as you are."

"Then there is the issue of paying for care. It will force a reallocation of both your income and assets. The problem is that they were never meant to do so which means that paying will disrupt every plan you created to secure financial viability during retirement and to keep commitments after your death."

I am not suggesting that any of these things will happen, but do you begin to see what could happen to the emotional and physical wellbeing of those you love, if you needed care?"[13]

I never thought about it like that.

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about start the transition to the Three Key Agreements:

Step 1: **The client must agree he could live a long life and if he does may become frail.**
"So, Roberta, let me ask you, do you believe it's possible that you could live a long life?"

"If you did, do you think it's possible, not probable but possible, that you could become frail and need care or a period of years?"

Step 2: **The client must clearly understand the emotional, physical and financial consequences to those he loves if care is needed.**

"I think you now understand that providing care would have devastating consequences to your family. So the question is, what's your plan to mitigate those consequences?"

"I want to put together a plan that allows you to remain safe at home while preserving the emotional, physical and financial wellbeing of those you care about (substitute names if appropriate). Can I do that?"

Yes.

[13] Putting the question this way forces him to own the consequences.

"The plan is very straightforward. It's to allow you to remain safe, at home, while preserving the emotional, physical and financial wellbeing of those you care about. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must understand that nothing will pay for the plan, except long-term care insurance.**

"I want to talk to you about LTCi as a funding source for the plan I put together to allow you to remain in the community should you need care, while preserving the wellbeing of your family. LTCi provides a stream of income that will fund the plan to keep you safe at home. Here's how it works:

- The stream of income pays for your care. By doing so, it allows your spouse (or others) to supervise rather than provide care (explain the difference). If there are children tell the client that this is a gift of life for them because have would have no option but to place their lives on hold so they could provide care."
- Since care is paid for, you never have to reallocate your income. This allows you to keep all your financial commitments."
- Since no money has to be spent on care, you never has to invade the investment portfolio."

Single, with children

"Tim, any questions on the portfolio (or insurance) portfolio we just reviewed?"
No, I am up to date.

"I need to talk to you about what would happen to Ethan and Ben emotionally and physically should you live a long life and perhaps need care over a period of years. I also need to talk to you about what paying for care would do to your portfolio that was never allocated to pay for it."

If the response is: *What do you mean?*

"If I may, have you or someone you know had a prior experience with extended care?"

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? Were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children family?
- Did he/she understand the consequences not having a plan would have on his/her family or friends and his/her retirement portfolio?

If the answer is ***no:***

"So Tim, what do you think extended care is?"
A nursing home? *Answer:* No
Dementia or something like that? *Answer:* No
Not being able to take of yourself? *Answer:* No

Tim asks, *What is it?*

"Tim, it's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to your wife, children and ability to keep financial promises during retirement."

Continue by explaining what causes a need for extended care, always emphasizing the impact on others:

"Extended care is assistance you would need because you have an impairment. There are two types:

"A physical impairment which is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but cannot be cured."
- As the illness progresses it compromises you ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is:

- Marked or measurable decline in your intellect such as Alzheimer's or other forms of dementia."
- As the illness progress it compromises your ability to safely interact with your environment or those around you."

"By definition, one of the children would have no choice but to put aside his life to make sure you are safe. Notice I said one, not both. I have rarely witnessed kids sharing the responsibility equally. Here are some ideas of the consequences:

- It will likely force that child to put aside his life. This not only has an impact on his family, but his health as well."
- Providing care to chronically ill people often makes healthy caregivers chronically ill."
- Since it is not likely, the other sibling could cause serious issues. Let's put it this way, I have rarely seen families brought together by the subject. In fact they are often torn apart."

"I can't imagine you want either son involved?"

Absolutely not.

"Respectfully Tim, my experience tells me he won't have much of a choice."

"Then there is the issue of paying for care. It will force a reallocation of both your income and assets. The problem is they were never meant to pay for care. This means paying for care will disrupt every plan you created to secure your financial viability during retirement.

"Now, I am not suggesting that any of these things will happen, but do you begin to see what would happen to those you love emotionally and physically if you needed care?"[14]

I never thought about it like that.

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about start the transition to the Three Key Agreements:

Step 1: **The client must agree he could live a long life and if he does may become frail.**

"So, Tim, let me ask you, do you believe it's possible that you could live a long life?"

"If you did, do you think it's possible, not probable but possible, that you could become frail and need care or a period of years?"

Step 2: **The client must clearly understand the emotional, physical and financial consequences to those he loves if care is needed.**

[14] Putting the question this way forces him to own the consequences.

"I think you now understand that providing care would have devastating consequences to your family. So the question is, what's your plan to mitigate those consequences?"

Note: The client will likely agree there would be serious consequences and that he doesn't have a plan.

"I want to put together a plan that allows you to remain safe at home, while preserving the emotional, physical and financial wellbeing of those you care about (include names if appropriate). Can I do that?"

Yes.

"The plan is very straightforward. It's to allow you to remain safe, at home, while preserving the emotional, physical and financial wellbeing of your family. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must understand that nothing will pay for the plan except long-term care insurance.**

"I want to talk to you about LTCi as a funding source for the plan I put together to allow you to remain in the community should you need care, while preserving the wellbeing of your family. LTCi provides a stream of income that will fund the plan to keep you safe at home. Here's how it works…

- The stream of income pays for your care. By doing so it allows your spouse (or others) to supervise rather than provide care (explain the difference). If there are children tell the client that this is a gift of life for them because have would have no option but to place their lives on hold so they could provide care."
- Since care is paid for, you never have to reallocate your income. This allows you to keep all your financial commitments."
- Since no money has to be spent on care, you never has to invade the investment portfolio."

Second marriages

Assumptions: Couple in their late 50's; Assets are held separately; two sets of children

"Bill any questions on the portfolio (or insurance) portfolio we just reviewed?"

No, I am up to date.

"There's one more thing I would like to discuss with you. We need to talk about what would happen to Susan and both sets of children emotionally, physically, should you live a long life and ever need care."

"I also need to talk to you about what paying for care would do your best thought out plans to hold assets separately and keep your financial commitments."

If the response is: *What do you mean?*

"Not that it is likely to happen, but if you did need care over a period of years, my guess is that Susan would be making the decisions?"

Yes.

"If I may ask, how do you think your children would react to that decision?"

It's really none of their business.

"Well whether you like it or not, they may make it their business. It's very important that you have a health care proxy stating that Susan will make those decisions and that your kids know about it."

Actually, that's a good point.

"Bill, I know you and Susan hold you assets separately but let me ask you question. If Susan ever needed care over a period of years, my guess is that, regardless of how the assets are held, you would spend whatever was necessary to keep her safe."

No doubt.

"If I may, what would your children think of that idea?"

I never thought about it like that, but it's really none of their business.

"I have to tell you that they may make it their business which would cause a lot of stress. I want to talk to you about a plan that make certain that if either of you needed care, the assets of both would remain intact. May I ask you a few more questions?"

Go ahead.

"Have you or someone you know had a prior experience with extended care?"

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? Were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children family?
- Did he/she understand the consequences not having a plan would have on his/her family or friends and his/her retirement portfolio?

If the answer is ***no:***

"So Bill, what do you think extended care is?"
A nursing home? *Answer: No*
Dementia or something like that? *Answer: No*
Not being able to take of yourself? *Answer: No*

Bill asks, *What is it?*

"It's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to your wife, children and your ability to keep financial promises during retirement."

Continue by explaining what causes a need for extended care, emphasizing the impact on others:

"Extended care is assistance you would need because you have an impairment. There are two types:
A physical impairment is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but cannot be cured."
- As the illness progresses it compromises you ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is a:

- Marked or measurable decline in your intellect such as Alzheimer's or other forms of dementia."
- As the illness progress it compromises your ability to safely interact with your environment or those around you."

"By definition, care would be all-consuming. This would force your wife to put aside her life to provide, what amounts to, 24-hour care. Here are the consequences:

- Providing care will make your wife as chronically ill as you are. This is going to have a direct impact on her children. I can't imagine they will be happy."
- If she starts to buckle, perhaps one of your children will hopefully step in. That will have a direct impact on her health, her relationship with her family and her sibling who is not likely to help."
- By the way, it may be one of your step-children. Think about that."

"I can't imagine you want any of the children involved?"

Absolutely not.

"Respectfully Bill, my experience tells me they won't have much of a choice."

"There is also the issue of paying for care. It will force a reallocation of both your income and assets. The problem is that they were never meant to do so which means that paying will disrupt every plan you created to secure financial viability during retirement. And that's if you need care."

"You need to consider what would happen to your estate if your wife needed care. That's one aspect that was not covered in the premarital agreement. Now I am not suggesting that any of these things will happen, but do you begin to see what a mess would be created if you don't have a plan?"

I never thought about it like that.

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about start the transition to the Three Key Agreements:

Step 1: **The client must agree he could live a long life and if he does may become frail.**

"So, Bill, let me ask you. Do you believe it's possible that you could live a long life? If you did, do you think it's possible, not probable that you could become frail and need care or a period of years?"

Step 2: **The client must clearly understand the emotional, physical and financial consequences to those he loves if care is needed.**

"I think you now understand that providing care would have devastating consequences to your family. So the question is, what is your plan to mitigate those consequences?"

"I want to put together a plan that allows you to remain safe at home while preserving the emotional, physical and financial wellbeing of those you care about (include names if appropriate). Can I do that?"

Yes.

"The plan is very straightforward. It's to allow you to remain safe at home, while preserving the wellbeing of your family. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must understand that nothing will pay for the plan except long-term care insurance.**

"I want to talk to you about LTCi as a funding source for the plan allowing you to remain in the community should you need care, while preserving the wellbeing of your family. LTCi provides a stream of income that will fund the plan to keep you safe at home.

- The stream of income pays for your care. By doing so it allows your spouse (or others) to supervise rather than provide care.
- This is a second gift of life to your children because otherwise they have would have to put their lives on hold to provide your care."
- Since care is paid for, you never have to reallocate your income. This allows you to keep your financial commitments."
- Since no money has to be spent on care, you never have to invade your investment portfolio."

Same Sex Relationships

Assumptions: Couple in their late 50's; Assets are held together; two children; interviewed together

"Any questions on the portfolio (or insurance) portfolio we just reviewed?"

No, we're up to date.

"Robert, there's one more thing: I need to talk to you about the consequences living a long life and perhaps needing care over an extended period of years will have on the emotional and physical wellbeing of Ed as well as your children. I also have to discuss the financial impact it would have on your retirement portfolio, which was never allocated to pay for it."

If the response is: *What do you mean?*

Ask…
Have you or someone you know had a prior experience with extended care?

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? Were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children family?
- Did he/she understand the consequences not having a plan would have on his/her family or friends and his/her retirement portfolio?

If the answer is ***no:***

"So Robert, what do you think extended care is?"
A nursing home? *Answer:* No
Dementia or something like that? *Answer:* No
Not being able to take of yourself? *Answer:* No

Robert asks, *What is it?*

"It's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to your partner, children and ability to keep financial promises during retirement."

Continue by explaining what causes a need for extended care, emphasizing the impact on others:

"Extended care is assistance you would need because you have an impairment. There are two types:
A physical impairment which is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but cannot be cured."
- As the illness progresses it compromises your ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is a:

- Marked or measurable decline in your intellect such as Alzheimer's or other forms of dementia."
- As the illness progresses, it compromises your ability to safely interact with your environment or those around you."

"By definition those you love would have no choice but to put aside their lives to make sure you are safe. Here are the direct consequences:

- Providing care to you will make Ed as chronically ill as you are."
- It will likely force one of the children to put aside her life (or his) life to help. This not only has an impact on her family, but her siblings who may not help. I have often seen that when a child is involved it doesn't bring the family together… it tears them apart."

I can't imagine you want either child involved?[15]"

Absolutely not.

"Respectfully gentlemen, my experience tells me that they won't have much of a choice."

"Then there is the issue of paying for care. It will force a reallocation of both your income and assets. The problem is they were never meant to pay for care, meaning doing so will disrupt every plan you created to secure your financial viability during retirement.

"Now I am not suggesting that any of these things will happen but do you begin to see what would happen emotionally and physically if either of you needed care?"[16]

I never thought about it like that.

Note: Assuming the client is thoroughly educated about the consequences not having a plan would have on those he cares about start the transition to the Three Key Agreements:

Step 1: **The client must agree he could live a long life and if he does may become frail.**
"So guys, let me ask you, do you believe it's possible that you could live a long life?"

"If you did do you think it's possible, not probable that you could become frail and need care or a period of years?"

Step 2: **The client must clearly understand the emotional, physical and financial consequences to those he loves if care is needed.**

"I think you now understand that providing care would have devastating consequences to your family. So the question is, what's your plan to mitigate those consequences?"

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[15] If there is a daughter always mention her in this setting. Fathers are very protective of their daughters. This allows the conversation to focus, once again, on the consequences to those he loves, not the risk of needing care.

[16] Putting the question this way forces him to own the consequences.

"I want to put together a plan that allows you both to remain safe at home while preserving the emotional, physical and financial wellbeing of those you care about (substitute specific names if appropriate). Can I do that?"

Yes.

"The plan is very straightforward. It's to allow you to remain safe, at home, while preserving the emotional, physical and financial wellbeing of your family. This is done by allowing them to supervise care, not provide it. This preserves their emotional and physical wellbeing. The other goal is to preserve your retirement portfolio, so it can continue to generate income and ensure that the retirement plan you have in place will execute properly."

Step 3: **The client must understand that nothing will pay for the plan except long-term care insurance.**

"I want to talk to you about LTCi as a funding source for the plan I put together to allow you to remain in the community should you need care, while preserving the wellbeing of your family. LTCi provides a stream of income that will fund the plan to keep you safe at home. Here's how it works:

- The stream of income pays for your care. By doing so it allows your spouse (or others) to supervise rather than provide care (explain the difference)."
- This is a second gift of life for your children because they would have no option but to place their lives on hold so they could provide care."
- Since care is paid for, you never have to reallocate your income. This allows you to keep all your financial commitments."
- Since no money has to be spent on care, you never have to invade the investment portfolio."

Clients purchasing LTCi for Parents

Assumptions: Client's parents are alive, in their 60's, in good health and have a modest estate; client has a brother and sister with the latter likely to provide care.

"Peter, can I take a few minutes to discuss a situation that might have a significant impact on your wellbeing?"

OK, what's up?

"Are your parents alive?"
Yes.

"How old are they?"
Early 60's.

"Are they financially secure?"
They have modest assets and income.

"Do you worry about them?"
Actually I am beginning to. Why are you asking?

"It concerns what would happen to you and your sister if your dad or mom ever needed care over a period of years. If for example, your dad had a chronic illness what do you think taking care of him would do to your mom emotionally and physically?"

What do you mean?

"Have you or someone you know had a prior experience with extended care?"

If the answer is ***yes*** consider asking any number of the following questions:

- What happened?
- How long did the illness last?
- Where was the care provided and who provided it?
- What impact did it have on the care providers?
- What impact did it have on the family's finances?
- Was any income allocated to pay for care?
- What impact did reallocating income have on the family's ability to keep financial commitments?
- Did it lead to an unintended invasion of their investment portfolio? Were there tax implications?
- Did anyone have to take money out of his or her pockets to help?
- What did it do to the financial viability of the surviving spouse/children family?
- Did he/she understand the consequences not having a plan would have on his/her family or friends and his/her retirement portfolio?

If the answer is ***no:***

"Peter, what do you think extended care is?"
A nursing home? *Answer:* No
Dementia or something like that? *Answer:* No
Not being able to take of yourself? *Answer:* No

Peter asks, *What is it?*

"Peter, it's not a place like a nursing home or a condition. It's a life changing event that would have devastating consequences to you parents and their ability to keep financial promises during retirement."

Continue by explaining what causes a need for extended care, emphasizing the impact on others:

"Extended care is assistance they would need because of an impairment. There are two types:
A physical impairment which is a:

- Chronic medical condition such as Parkinson's MS stroke or diabetes."
- These illnesses can be managed with medication and therapy but cannot be cured."
- As the illness progresses it compromises one's ability to get through the most basic of daily routines."

"Or it could be a cognitive impairment which is:

- A marked or measurable decline in intellect such as Alzheimer's or other forms of dementia."
- As the illness progress it compromises one's ability to safely interact with their environment or those around them."

"By definition, you or your sister would have no choice but to put aside your lives to make sure they are safe. It works something like this for example:

- If your dad needed care, your mom would have no choice but to put her life aside to provide it. I can tell you from experience that taking care of chronically ill people makes healthy people chronically ill."
- If your mom started to buckle, either you or your sister would have no choice but to get involved. That's likely to cause some friction."

"What would that do to your relationship with her if she provided the care?"

I am beginning to get your point.

"One more thing, do you see it as a possibility that you or your sister may have to help out financially?"

Maybe. You know I never thought about it like that.

"I want to put together a plan that preserves the emotional, physical and financial wellbeing of your parents and make your life easier if either needs care. Can I do that?"

"Absolutely."

Expanded Fact Finder

To determine what responsibilities the client is taking into retirement. The more commitments he has, the more likely he will need LTCi to protect them.

Second marriages

Is this a second marriage? Yes____No ___

If so, is there a Prenuptial Agreement? Yes____No ___

Do you wish to keep your assets held separately? Yes____No ___

If yes, what arrangements have you made for distribution at death?

_____

_____

If either of you need care over a period of years, may the other have to help pay for it? Yes____No ___

What impact would this have on your plans to keep assets separate, if so desired? _____

_____

_____

Previous marriage Yes____No ___

Is your first spouse alive? Yes____No ___

If yes is he (or she) remarried? Yes____No ___

_____

_____

If the first spouse is alive and particularly if she (or her) is not remarried make sure you talk about how severe the consequences providing care to her would be on the emotional and physical wellbeing of the children.

Children Yes____No ___

Do you have children or grandchildren who you will continue to help financially during retirement years? If yes, details: _____

_____

Special needs children Yes____No ___

Have you made arrangements to support the child during your retirement years? Have you established a special needs trust? _____

_____

_____

Other financial obligations Yes____No ___

What commitments to your community, religious affiliation, Alma Mata, etc? _____

_____

_____