



HOW TO PROTECT 16,000 FAMILIES FOR LTCI

With Marc Glickman and Steve Cain

Marc Glickman interviews LTCi worksite expert Steve Cain about a recent large group win to bring LTCi planning to as many as 16,000 lives. We talk about the sales process for engaging stakeholders, participation rates, and other worksite considerations.



Hi everyone and welcome to this edition of the Insurance Experts. It's my pleasure to have on the line a good friend, Steve Cain. He's an expert in the LTCi worksite marketplace, and he actually lives a few miles from my house which is an added bonus there.



Yeah why aren't we together? Ha ha!



Ha ha, well we should probably do it in person, right? Um, so Steve tell me a little about your background.



Sure, I had the good fortune to be in this industry for about 20 years, was on the manufacturer side, then moved over to the Brokerage side, and have been there ever since for years, and I'm with LTCi partners, a firm that does nothing but long term care insurance, and we distribute it in a few different ways; in the individual marketplace working with financial advisers. We also have an affinity or direct consumer business, and a group business where we work with employers, whether it be voluntary or employee pay long term care, or executive long term care where the employer is funding.

So nothing but long term care over the last 20 years.



Wow, tell me a little bit more about which marketplace that you just described is the most exciting to you?



You know I'd probably say...If we're not talking about some of the linked benefit stuff in the individual market, I've spent most of my time in the corporate marketplace either working with employee benefit consultants, executive benefit consultants, or large employers. You know Marc, 90% of America buys their insurance at work, and if we and I know you and I have talked about it before, if we're really trying to grow this marketplace, we got to do it at the worksite. Not saying there's no opportunity in the individual market; there is, but how do you get to people in mass? Through their employers.



Right, I totally agree with that, I mean we can reach and protect so many families by doing this, through the worksite. So tell us a bit about the recent worksite case you were working on, I wanted you to share that story with us.



Yeah, disclaimer, they're not always like this. They're not always like the home run cases and I hope it'll turn out to a home run. We've had cases like this with large universities, but we've got an opportunity next week where we're enrolling a large university about 16,000 eligible employees, and this university has not previously offered long term care to their employee base, which is really surprising given their size, and this just goes to show you; employee benefits professionals, their 401k advisor, nobody's brought it up before. We were the first to bring it up.

Now part of it might be timing in that at the marketplace, we saw departures from large group carriers. The employer got a bit skittish on offering this, but now the timing is a lot better, and you know, they were looking at surveys. Not only their own employee surveys, but they were looking at some benefits consulting surveys. Either insurance companies or third parties would come out with surveys, and these surveys would always come back, and the thing is, fear that the employees have is healthcare cost and retirement, and outliving their money.

So we position this as kind of an extension of their financial wellness, discussion or programs that they were having as a way to protect the integrity of their 401ks and their lifestyles, and it fit right into the education they were already doing.



Okay. Is this an employer-funded case? Or is it employee?



No, it's a voluntary or employee pay, after-tax employee pay, although if they have an HSA, you're able to use those dollars to pay for long term care insurance, but I would say once you start going north and getting into the large group market which we play in, most of it is voluntary in nature.



Okay. And on average, what would you expect the enrollment to look like out of those 16,000 employees?



Well we got goals, then we got stretch goals. You know what's going to happen? There's been a tremendous amount of work that goes into A) Getting an employer to say yes, let me rewind, A) Getting the employee benefit producer or broker's attention, right? And convincing him or her that this planning is sound; that the marketplace isn't going away, that it's not going to hurt



them, and that's sale number one. Sale number two is getting the employer to say yes, and to recognize that this is an important voluntary benefit, and that they should offer it off cycle from other benefits if they're offering, and then sale number 3 or C would be getting the employer to subscribe to your enrollment methodology. That's a dance, man; it's difficult to navigate that landscape and get them to allow us to email so many times and do the seminars and on-site meetings. It's a negotiation.

In this case, we've gotten pretty much what we want, so what do I expect? I dunno, 8...5-10% participation?



Okay, so like a thousand families you're going to be protecting. That's a pretty noble thing to do.



Yeah, it's a big number, and again that's not to say there's not tremendous opportunity in the small to mid-market. There is. It's likely that any of you watching this video; if you go to an employer and talk to them about long term care, you're likely the first person who's talked to them about it.



Right, right.



So yeah, I like that we have the ability to influence people to make good decisions about long term care planning. At the end of the day, even if 15,000 people don't buy long term care insurance; they've been educated about this.



Right



It's on their radar screen a little bit more than it was before.



Right. Now I know you talked about how the employer marketplace is almost as important as how smooth the enrollment itself is the actual solutions. Can you talk a little bit more about that?



Yeah I mean, look. Product is product, and certainly we're looking for competitive products with the right type of language in those products that will make sense, and I'll tell you what. I heard this one months ago that "Process is the new Product". I get billed products that kinda look similar and work the same way, but I got to make sure it's a very smooth implementation process, so that it's painless and looks, smells and feels like every other employee benefit that their employees are signing up for, and we as long term care specialists know that that's not the case.

We know this stuff is a bit clunky, so we got to ensure that the process is smooth for the employer, and obviously for the employees.



Right. Just like any sale, it's about setting expectation under promising and over delivering.



You got to manage their expectations about the process, particularly if there's a case that's not guarantee issue and there's some form of reduced underwriting, or frankly there's no underwriting concessions at all. You got to be able to have frank, open and honest conversations with human resources or people in the c-suite saying 'someone might get declined, and I need to know before we get into this thing that you're going to be okay with this and not shut down the program'.



Right.



You know you got to manage expectations.



So if you had a guess, what would you say the biggest opportunity is in the worksite marketplace? With what types of groups?



I would say white collar, grey collar. It's got to be the right time in someone's life, so we look at groups that have a high population of employees between the ages of 45 and 60 or 65, income levels. I know the national associations of insurance commissioners have standards for income, but forget about that in most cities and states. So we're looking at 65-70,000 of income plus an employee population that are 45-60 where we got a good group of high propensity buyers, and that would be the optimal group.

Certainly, we're looking at the white collar being the most preferential, but in some cases we're enrolling manufacturing firms as well.



Sure. So is it for the super large groups only? Or can small businesses also take advantage of it?



Now that's the beauty of this thing. Now, for the first time in years, I can say with conviction that we've got a full slate of carriers, really the cupboard is full like the bookshelf behind you where I got options now. Before I didn't have options. I would say "Hey I've got carrier A, or carrier A".

Now, I've got the small booth option, the mid-market option, the jumbo option. I'm encouraged that we finally have a robust marketplace.

Benefit brokers don't know about it, nor do employers, but that's our job to go out there and spread the word.



That's awesome. Well thanks for sharing this case! Good luck with this large enrollment, and I hope you'll be joining us on future episodes of the Insurance Experts.



Sure, thanks guys!