



## K.I.S.S. – Keep it Simple and Sensible

With the various benefits and features LTCi products offer, it is easy to get caught up in the details. Complicating the product can make LTCi difficult for prospective clients to understand and hard for you to sell.

Mutual of Omaha’s pre-packaged policies – Mutual Care 3 and Mutual Care 5 – are easy to explain. That’s because they already contain all the benefits people purchase most often. And when you follow these five simple and sensible steps, your clients are certain to see the value of owning an LTCi policy.

- 1. Determine the cost of LTC services.** Use Mutual of Omaha’s Cost of Care booklet (M26548) to determine the cost of LTC services in your client’s area.
- 2. Determine an appropriate maximum monthly benefit.** Round the monthly cost of LTC services to the nearest \$500 (Mutual Care 3 and 5 are available in \$500 increments).
- 3. Generate a quote.** Use the Mutual Care 3 and 5 rate card or WinFlex software to provide the premium amount.
- 4. Calculate the total premium.** Figure the number of years premium might be paid – say from your client’s current age until age 80. Then calculate the total amount of premium that would be paid over that period.
- 5. Demonstrate how quickly the client could recover premium dollars spent.** Divide the total premium amount by the policy’s monthly benefit to see how many months it would take for the policy to pay more in benefits than the client paid in premium.

**Here’s an example for a 55-year-old living in Omaha, NE. Premium costs in this example are based on Mutual Care 3.**

	HOME HEALTH CARE	ASSISTED LIVING	NURSING HOME
1. Determine the cost of LTC services	\$3,120 per month	\$3,999 per month	\$5,080 per month
2. Determine an appropriate monthly benefit amount	\$3,000	\$4,000	\$5,000
3. Generate a quote	\$968 per year	\$1,290 per year	\$1,613 per year
4. Calculate the total premium the client would pay if he went on claim at age 80	\$968 x 25 years = \$24,200 in total premium	\$1,290 x 25 years = \$32,250 in total premium	\$1,613 x 25 years = \$40,325 in total premium
5. Demonstrate how quickly the client could recover the premium dollars spent	\$24,200 premium ÷ \$3,000 monthly benefit = <b>8 months</b>	\$32,250 premium ÷ \$4,000 monthly benefit = <b>8 months</b>	\$40,325 premium ÷ \$5,000 monthly benefit = <b>8 months</b>

As you can see, it would take just **8 months** for the policy to pay more in benefits than the client paid in premium over **25 years!**

Remember keeping your presentation simple and sensible can help you make a sale. Starting with the actual cost of services is a simple way to communicate the need for LTCi. And showing your clients how the benefits paid by an LTCi policy have the potential to surpass their total premium is a sensible way to get them to act.

And don’t forget, while you have them thinking about the dollars and cents of the matter, make sure to tell them about the inflation protection options built into Mutual Care 3 and 5 that can help the value of their policy grow over time.