

Three Simple Steps for Starting a Client LTC Conversation

And meeting your fiduciary responsibility.



Initiating a client discussion about long-term care can be tough. It's not a subject most feel comfortable discussing – denial, misinformation and misunderstanding abound. However, it is your fiduciary responsibility to help overcome these roadblocks. You can help your clients create and fund a plan by following these three simple steps.

Step #1: Identify 3 – 5 clients between the ages of 50 and 64.

- These are retirement red zone clients. Why? Because they are actively thinking about retirement.
- If you are helping them plan for retirement, then, by default, you are helping them plan for longevity
- And living a long life means a high likelihood of needing long-term care.

Also, take this time to decide when you will raise the subject of LTC planning with your client (e.g., annual review)

THREE SIMPLE STEPS FOR STARTING A CLIENT LTC CONVERSATION

Step #2: Determine how to position a LTC conversation

- Is this a client with caregiving experience?
 - » If so, listen to how that experience impacted them and others.
 - » Would they want the same, or something different, if they needed care?
 - Is this a longevity discussion?
 - Are you helping them plan for a long life?
 - If so, could they envision needing care along the way?
- Is the client,
 - » Affluent:
 - Would they have enough income to divert \$5,000 - \$10,000 per month to long-term care and for how long?
 - Would they want to?
 - If not, what assets could they tap? How would market conditions, taxes, financial and lifestyle commitments impact this decision? How would it affect your AUM?
 - » Middle America:
 - Same questions as above, though the answers are likely different
 - » Financially constrained/Medicaid Likely:
 - Insufficient assets and income to finance a long-term care event
 - Recommend working with an Elder Law attorney
- Is the client,
 - » In relatively good health and likely to pass underwriting?
 - » Managing some serious health conditions?
 - » Would they benefit from the NeverStop Wellness Rewards program?
 - Needs help to better manage an existing health condition
 - Values being rewarded for what they are already doing
 - Needs a plan for remain independent and active for as long as possible

Step #3: Recommend a product to fund their LTC plan

Armed with the information you collected in Steps #1 and #2, recommend a product that would fund the plan you and your client have discussed. Keep in mind key points like,

- How long they expect to live.
- Who they would expect to provide their care, and where.
- The average cost of care where they currently live or intend to retire.
- The average duration of care is 3 years.
- The value of creating a separate stream of income (other than their retirement income) to pay for care.
- The opportunity to reposition “lazy assets” to pay for their coverage.

Know that this conversation will take time and will likely spread over two or more meetings. Be patient and listen.