
THE FINANCE OF LONGEVITY

Long Term Care Enters The Mainstream

LTCi is meeting today's worksite needs... Are you?

BY BRIAN VESTERGAARD

Some familiar phrases caught my attention recently. I was at home with my family, who had the television on in the background, when I heard terms like, “caregiving options,” “aging in place” and “protect your family.”

It turned out to be a commercial about long term care planning. Since then I've noticed that messages around LTC planning are more frequently reaching the mainstream, whether it's a radio or TV ad discussing LTC or a news feature covering the demands of family caregiving and its impacts.

As a longtime LTC advocate, it's a welcome trend. To me it shows widespread awareness and greater public recognition of the importance of LTC planning. In fact, a recent report found that LTC expenses are the second most-common financial concern among American consumers (behind only retirement savings).

This increasing awareness has carried over to the worksite as well, which comes at a time when the voluntary market is growing and worksite long-term care insurance (LTCI) products have evolved to better fit today's market. With more employers expanding and strengthening employee benefit packages, the timing is right to bring worksite LTCI to the table as an outside-the-box ancillary solution.

Why the Worksite?

Because the opportunity is real. Employers are looking for an edge by going beyond traditional workplace benefits, and experts have pegged LTCI as an emerging option – even predicting the number of employers offering LTCI to double in the next few years.

Plus employers and their employees are already getting a firsthand experience with the challenges of long-term care.



Roughly 40 million people are caring for elderly loved ones and about 60% of caregivers also have a full- or part-time job.

Employers see long-term care as a critical workplace issue that can impact both their colleagues and their business outcomes, as working caregivers often reduce work hours, take time off and face additional health risks due to their responsibilities. Meanwhile, workers of all ages have witnessed the shortcomings of family members when it comes to LTC planning, which is motivating them to plan for their own future financial security.

Worksite LTCI can be the right solution for both groups, and modern products make selling LTCI easier than ever. Here are four ways that worksite LTCI has evolved over the years to better meet the needs of the changing workplace.

Leveling the Playing Field

It's no secret that worksite benefits are a critical tool that help employers attract and retain top talent and keep employees happy in today's historically competitive job market. For small businesses, the benefits battle is just another

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challenge they face in competing with larger rivals. This is where products like worksite LTCI can help smaller companies level the playing field and create new business opportunities for agents by opening up more of the employer market.

Here's how: in the past, employer-based LTCI came in the form of group plans, or "one size fits all" coverage that was exclusive to large employers, whereas *worksite* LTCI isn't limited to large employers. It can be a great fit for small or large employers, and anyone in between. For example, LifeSecure's worksite LTCI can be offered down to as few as 10 employees. Most products can also be offered as a voluntary option or with different levels of employer contributions, which can further protect a company's bottom line.

Keeping it Simple

One of the more attractive aspects of worksite LTCI that will catch a client's attention is its simplicity. It's time to forget everything you might have heard about LTCI being too complex, difficult to explain or hard to sell.

In today's market, benefits need to be simple and easy to understand to facilitate strong enrollment – and worksite LTCI is meeting this need. Carriers have made benefit decisions easier for families by focusing on straightforward plan designs, affordable price points and reducing the number of riders. And it's not just about simplifying the product. Carriers have enhanced online applications and other tools that encourage paperless selling, simplified issue underwriting, and online employer administration to create a more user-friendly experience from application through enrollment.

And of course, simplifying a product for clients also makes it easier for agents to explain the benefits of coverage and make the sale.

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Flexible Coverage to Match Policyholder Needs

Creating a simple product doesn't mean that you have to sacrifice quality coverage.

Since every family's care needs are unique, today's worksite LTCI products are designed to be dynamic and meet the changing needs and goals of policyholders. This gives families the flexibility to decide which care option is best for their situation – from home care for those who prefer to age in place, as well as care at adult day care, assisted living facilities, and more.

- Most products offer even greater flexibility by allowing policyholders to use benefits for:
- Paying a friend or family member who serves as an informal caregiver

ramp, to improve the safety of a home where care is received

- Medical equipment and other supplies that help the policyholder receive care at home

Confidence in Retirement Planning

Employers are increasingly using workplace benefits to help their employees improve their financial well-being. This includes short-term solutions, like student debt relief and financial counseling, to long-term goals like retirement planning.

This shift is largely in response to workers' attitudes toward their financial situations. Specifically, when it comes to retirement, today's workforce isn't optimistic they'll have the relaxing, worry-free retirement that most of us envision. According to a recent study, three out of every four workers are anxious about not having enough money to live comfortably during retirement, while more than one-third lack the confidence that they'll be able to retire.

With so much concern and many question marks surrounding retirement, employers can use worksite LTCI to help provide their employees with answers. Employees will have peace of mind knowing that they have a plan in place to help cover possible long-term care needs, which will leave their retirement savings to provide for daily living expenses and other activities in retirement. In short, worksite LTCI can help give families a reason to feel secure about the future and it's an important consideration for any retirement planning checklist.

Carriers have made selling LTCI easier than ever, and modernized products are meeting the needs of today's workplace. And while only 16% of employers currently offer coverage, there's room to grow as experts predict that more employers will add worksite LTCI to their benefit plans over the next few years.

Even if you're new to LTCI, adding worksite coverage to your portfolio puts you in position to take advantage of a sizeable market opportunity – especially as employers are increasingly looking for new ways to help their employees beyond traditional benefits. Talk to your worksite clients about LTCI and explain how it can be a valuable addition to their benefits to support business outcomes and help employees plan for their financial future. ♦

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