



LONG TERM CARE  
INSURANCE

## John Hancock's Sponsored Group Program\*

Individual Products

Discounted Rates

Comprehensive Marketing Support



# Contents

<b>I. Introduction</b>	<b>2</b>
<b>II. Program overview</b>	<b>3</b>
> Defining Sponsored Group	
> The Market Opportunity	
> Group Eligibility	
> Billing Options	
<b>III. Case implementation</b>	<b>8</b>
> The Approval Process	
> Illustration Worksheet	
> Exclusivity Guidelines	
> Creating a Marketing Plan	
<b>IV. Marketing materials</b>	<b>14</b>
> Sponsored Group Collateral Guide	
<b>V. Tips from successful producers</b>	<b>18</b>
<b>VI. Prospecting for Sponsored Groups</b>	<b>20</b>
> Targeting Business Owners	
> Targeting Associations	
> Suggested Follow-Up	
<b>VII. Sample marketing plans</b>	<b>24</b>
<b>VIII. Getting started in Sponsored Group</b>	<b>26</b>

# I. Introduction

Long term care insurance (LTCI) is expected to become one of the most sought-after benefit options of the next decade, and the ongoing demands of long term care (LTC) will have a direct impact on the workplace. Today, many working adults are faced with balancing their job and their family with the care of a loved one. These employees typically have to make changes to their daily schedule in order to manage these responsibilities. Increasingly, employers and employees are feeling the financial and stressful impact of these decisions and continue to be concerned with the rising costs and demands of LTC.<sup>1</sup>

**John Hancock's Sponsored Group Discount Program** allows you to introduce LTCI to business owners and associations. Through this program, employers and associations are able to offer coverage to their employees and members at a discount. This benefit is valuable to employers and employees because it offers coverage for them and their family members, increases productivity, and offers advantageous tax incentives.

This guide presents strategies for prospecting, presenting, and enrolling a Sponsored Group. It will help you build relationships with unlimited potential.

1. Georgetown University Long-Term Care Financing Project, "Long-Term Care: Support for Family Caregivers," March 2004.

## II. Program overview

### Defining Sponsored Group

The Sponsored Group Program enables John Hancock to provide employers and associations with a way to make individual LTCI policies available to employees or members at a special discount. This program also extends to retirees, spouses, partners,<sup>2</sup> parents, parents-in-law, grandparents, and children (including adopted and fostered) of employees and association members.

### The Market Opportunity for Employers

Size of Business (Employees)	1–500	501–1,000	1,001–5,000	5,000+
Total Number of Businesses in the United States	5,640,407	8,572	6,931	1,864
Total Number of Businesses Offering LTCI	3,829	754	580	638
Total Number of Businesses NOT Offering LTCI	5,636,578	7,818	6,351	1,226

There are almost 5.7 million businesses in the United States. According to LIMRA, as of 2003, only 5,801 employers in the United States were offering Group Long Term Care Insurance (GLTCI) to their employees.

#### Why employers should consider offering LTCI to their employees:

- > 62% of caregivers say they had to make some work-related adjustments. 57% of working caregivers say that as a result of their caregiving responsibilities, they have had to go to work late, leave early, or take time off during the day to provide care.<sup>3</sup>
- > 59% of caregivers are employed.<sup>3</sup>
- > 48% of men and 42% of women reported that they were contributing financial support to a care recipient — an average of \$273 per month in out-of-pocket expenses.<sup>4</sup>

2. The partner benefits only apply to married spouses in LA and MD. In NY only, spouses and same sex or opposite sex partners are eligible.

3. Caregiving in the U.S., National Alliance for Caregiving and AARP, 2004.

4. Findings from a National Study by the National Alliance for Caregiving and the Center for Productive Aging at Townson University, June 2003.

## **Group Eligibility for the Sponsored Group Program**

To be considered for the Sponsored Group Program, a group must have a strong affinity with its employee/membership population. The group should also offer dependable access to high-potential prospects. Examples include:

- > Employer groups who would offer LTCI as:
  - an employee benefit
  - an executive carve-out plan with low participation requirements (only five applications, including spouses)
- > Associations whose primary purpose relates to a profession, trade, higher educational institution (e.g., alumni associations only), or property rights and/or ownership group (e.g., condo, homeowner's, and/or retirement community associations)
- > Other closed members-only groups, including labor unions, chambers of commerce, closed credit unions, and regional AAA motor clubs

### **Employer requirements**

Eligibility is limited to: employers of all types who have at least five or more actively-at-work, full-time employees (30+ hours per week), whether a corporation, partnership, limited liability company, or governmental organization, agency, or department.

### **Requirements for associations and other closed groups**

- > Have 10 or more members
- > Be in existence for two or more years
- > Have constitution, by-laws, or charter
- > Been formed for purposes other than purchasing insurance
- > Offer true services to its members
- > Have members with regular and active engagements with the organization
- > Required dues or fees are paid on a regular basis
- > Have members who participate in the decision-making process (e.g., through voting)

### **Additional guidelines and information**

- > *Large groups* — Groups with more than 3,000 lives will only be considered when the producer of record has a sufficient marketing plan and is capable of supporting and soliciting the group.
- > *Geographic limitations* — Associations and other closed groups approved within a certain territory will be limited to that territory.
- > *Procedural guidelines* — To preserve the integrity of this important market access program, and avoid potential market conduct issues, producers should not initiate individual membership enrollment in a Sponsored Group in order to provide a discounted policy.
- > *Revisions to program* — John Hancock reserves the right to review, revise, or discontinue the Sponsored Group Program and its provisions at any time. In addition, the program may be changed or discontinued at any time in order to satisfy state, legal, or other business requirements.

### **Examples of groups that qualify for the Sponsored Group Program**

- > *Chambers of commerce* — The discount extends to the individual members and eligible family members of the chamber (typically one or two individuals per organization listed in the membership directory) who represent the business with the chamber.
- > *Labor unions* — Members are linked by their common profession.
- > *Credit unions (closed only)* — Credit unions whose membership is exclusively limited to a specified professional or trade group, such as teacher's unions, municipal employees, or employees of a specific company.
- > *Condos, homeowner's associations, retirement communities* — Members must be linked through common property, share common equity, have a formal board, and possess voting rights.
- > *Alumni associations of higher educational institutions (such as colleges, universities, or graduate schools)* — Members must have received a degree or honorary degree from such institution.
- > *Regional AAA motor clubs* — e.g., Southern New England AAA.

### **Groups that do not qualify**

While many organizations qualify for the Sponsored Group Program, there are some groups that do not qualify, based on the franchise laws that govern the parameters of the Sponsored Group Program. These groups include:

- > *Charitable/Philanthropic organizations or associations* — Organizations such as the American Heart Association, American Cancer Society, Red Cross, PBS, etc.
- > *Customer groups and discount clubs* — Organizations where the relationship with members is primarily a customer relationship, there is no active relationship between its members, or those whose primary purpose is to offer a member discount.
- > *Bank customers* — Customers or customer groups within banks.
- > *Credit card holders* — Holders of credit cards such as American Express, MasterCard, Visa, or cards from an oil company or department store.
- > *Investment clubs or members of a particular investment fund* — Investors in a club or those who invest in particular funds.
- > *HMOs or PPOs* — Members of these health plans.
- > *Open credit unions* — Credit unions whose membership is open to anyone and there is only a customer relationship.
- > *Fitness centers* — Members of health clubs or fitness centers.
- > *Chamber of commerce member employees* — The discount does not automatically extend to the employees of a chamber of commerce member company. The employer or association could be set up as a separate Sponsored Group, if it meets the requirements.
- > *Church members* — Including parishioners or members of a church/congregation/temple, or any organization within a church.
- > *Citizens or cultural groups* — Including any groups that are not trade, occupational, or professional, and who may have only cultural heritage in common. Examples include tribal organizations such as Sons of Italy, B'nai B'rith, etc.
- > *Social/Senior clubs* — Note: While these groups do not qualify for the Sponsored Group Program discount, some (particularly those with senior citizens) may present excellent opportunities for marketing individual LTCI policies.

## Billing Options

A Sponsored Group Discount Program can be established in a number of ways, depending on the group:

- > *Association voluntary pay* — An association makes LTCI available to their eligible members on a voluntary basis as a member-paid benefit. All policyholders are direct billed.
- > *Employer voluntary pay* — LTCI is marketed on a voluntary basis by employers as an addition to a basic benefit package. Employees can be direct billed. John Hancock can also offer list or EC billing for employers who want to offer payroll deduction for employees to pay their premiums. Administration of payroll deduction is the responsibility of the employer.
- > *Employer partial or full pay* — Occasionally, employers choose to subsidize their employees' LTCI premiums to reduce out-of-pocket costs, or to take advantage of possible tax benefits for the company. In NY, employers offering Custom Care II or Essential Care II can only contribute up to 50% of an employee's annual premium when a Marketing Group Discount is associated with the policy. In cases such as these, John Hancock has available list or EC billing.

## III. Case implementation

### The Approval Process

In order to have a group approved for the Sponsored Group Program, the following is required:

- > *A SGDP worksheet* (LTC-3190), completed by the producer.
- > *A letter of acknowledgement* (LTC-3191) on the organization's letterhead, signed by an authorized official of the organization (available on your producer website).
- > *Proof of membership* with every application. The membership verification form (LTC-3192) is available on your producer website. Please send one form with each application. John Hancock will also accept copies of an employee identification card, a copy of a membership card, or a letter signed by an authorized official of the organization on their letterhead as verification of employment or membership status.
- > *A copy of the association's by-laws or charter.*

<i>Send all materials to:</i>
John Hancock Long Term Care Insurance Sales Development and Program Management B-6 <i>Attention: Sponsored Group Program</i> PO Box 111 Boston, MA 02117

<i>Or fax to:</i>
617-572-4434

Once all required materials are received, John Hancock will make a decision as to Sponsored Group eligibility within 10 business days. The producer referenced on the worksheet will be sent a letter with the decision via fax or e-mail. If anyone other than the producer on the worksheet should be notified, please indicate this in the comment section of the worksheet.

### Illustration Worksheet

You can use the current Hansel or eHansel illustration systems that support your individual LTCI cases to illustrate premium rate tables for a Sponsored Group. Simply select Premium Tables under the proposal type, and the system will allow you to illustrate up to three different plan options. Rates are reflected in the table for ages 18-79. Premium tables are now approved for use with consumers and can be included in your Sponsored Group enrollment kits.

**Premium Table for Sample Sponsored Group** (Presented by: I.M. Hansel, 7/6/2005)

<b>State: Alabama</b>	<b>Plan A</b>	<b>Plan B</b>	<b>Plan C</b>
Product	Custom Care II	Custom Care II	Custom Care II
LTC Benefit Amount	\$3,000 Monthly	\$4,500 Monthly	\$6,000 Monthly
Benefit Period	4 Years	4 Years	4 Years
Elimination Period	90 Days	90 Days	90 Days
Inflation Option	5% Simple	5% Simple	5% Simple
Payment Type	Life Pay	Life Pay	Life Pay
Premium Mode	Annual	Annual	Annual
Stay at Home Benefit	\$3,000	\$4,500	\$6,000
Loyalty Credit	No	No	No
<b>Age</b>	<b>Plan A</b>	<b>Plan B</b>	<b>Plan C</b>
18-29	\$541.50	\$812.25	\$1,083.00
30	\$570.00	\$855.00	\$1,140.00
31	\$570.00	\$855.00	\$1,140.00
32	\$598.50	\$897.75	\$1,197.00
33	\$598.50	\$897.75	\$1,197.00
34	\$598.50	\$897.75	\$1,197.00
35	\$598.50	\$897.75	\$1,197.00
36	\$627.00	\$940.50	\$1,254.00
37	\$627.00	\$940.50	\$1,254.00
38	\$627.00	\$940.50	\$1,254.00
39	\$627.00	\$940.50	\$1,254.00
40	\$627.00	\$940.50	\$1,254.00
41	\$684.00	\$1,026.00	\$1,368.00
42	\$684.00	\$1,026.00	\$1,368.00
43	\$712.50	\$1,068.75	\$1,425.00
44	\$741.00	\$1,111.50	\$1,482.00
45	\$741.00	\$1,111.50	\$1,482.00
46	\$769.50	\$1,154.25	\$1,539.00
47	\$798.00	\$1,197.00	\$1,596.00
48	\$798.00	\$1,197.00	\$1,596.00
49	\$826.50	\$1,239.75	\$1,653.00
50	\$855.00	\$1,282.50	\$1,710.00
51	\$883.50	\$1,325.25	\$1,767.00
52	\$912.00	\$1,368.00	\$1,824.00
53	\$940.50	\$1,410.75	\$1,881.00
54	\$969.00	\$1,453.50	\$1,938.00
55	\$997.50	\$1,496.25	\$1,995.00
56	\$1,054.50	\$1,581.75	\$2,109.00
57	\$1,111.50	\$1,667.25	\$2,223.00
58	\$1,197.00	\$1,795.50	\$2,394.00
59	\$1,254.00	\$1,881.00	\$2,508.00
60	\$1,339.50	\$2,009.25	\$2,679.00

Rates include optional benefit premiums, and a 5% Sponsored Group discount.

Please note that the more often you pay, the higher your premium amount will be per year.

This hypothetical illustration is a general description of coverage and is not a contract.

### **Cases with over 3,000 eligible participants**

If a case is submitted with over 3,000 active employees/members, there are more stringent approval requirements. John Hancock's home office would like to ensure that the producers involved have the resources to support a case of this magnitude, that the marketing plan has the correct components to succeed, and that the producers understand what is involved to gain successful participation. In some cases, one of the John Hancock group plans may be recommended.

### **Maintaining eligibility for approved cases**

Once a case is approved, the following requirements must be met:

- > Within 60 days of group approval, five applications must be submitted with payment, or the policies will be issued without the discount.
- > Cases are occasionally reviewed. If a case does not meet the minimum standards, a letter will be sent to the producer informing him/her that the minimum requirements must be met in six months, or the case may be revoked.
- > There are minimal production requirements to maintain Sponsored Group status. See Base Sponsored Group and Full Exclusivity Guidelines on the next page for details.
- > John Hancock reserves the right to modify Sponsored Group guidelines. John Hancock also reserves the right to discontinue, modify, or reassign a Sponsored Group account to producers other than the initial writing agent.

## Exclusivity Guidelines

In some cases, a producer relationship and the demographics of a particular group may warrant full exclusivity. Full exclusivity means only the producer of record and its affiliates can solicit the group's members and offer the discount. Please note that lists of approved groups are not published. Below are the guidelines required for full exclusivity:

Group Type	Base Sponsored Groups (groups under 3,500 eligible lives and no exclusivity)	Full Exclusivity (groups under 3,500 eligible lives)	Full Exclusivity (groups over 3,501 eligible lives)
<b>Solicitation Rules</b>	Only the agent of record and its affiliates may actively market to the group's members. Any producer licensed to market JH LTCI may offer the discount to individual members, but cannot actively market to the group.	Only the agent of record and its affiliates can solicit and market to the group's members and offer the discount.	Only the agent of record and its affiliates can solicit and market to the group's members and offer the discount.
<b>Minimum Production to Qualify and Maintain Status</b>			
<b>To Qualify</b>	Group must meet the eligibility guidelines.	Group must be under 3,500 eligible lives.	Group must be between 3,501–10,000 eligible lives.
<b>Within the First 60 Days of Approval</b>	You need five applications submitted (otherwise policies are issued without the discount).	You need five applications submitted (otherwise policies are issued without the discount).	15 applications must be submitted (otherwise policies are issued without the discount).
<b>Within 12 Months</b>	Five paid policies for under 1,000 lives. 10 paid policies for over 1,000 lives.	50 paid policies.	75 paid policies.
<b>Second and Subsequent Years</b>	Greater of 2% of total eligible employees/members or 12 month minimum.	2% of eligible employees/members, measured quarterly.	2% of eligible employees/members, measured quarterly.
<b>Notes</b>	If participation levels are not met, the group, at the discretion of the home office, may be given Non-Sponsored Group status or be reassigned.	If participation levels are not met, producer may lose full exclusivity status.	Consideration will only be given if a strong marketing plan is in place and signed by the agent(s).  If participation levels are not met, producer may lose full exclusivity status.

Groups over 10,000 lives, and national in scope, may be considered for Full Exclusivity on a case-by-case basis. Groups of this size must receive prior approval from John Hancock before discussions take place with the group.

John Hancock reserves the right to modify Sponsored Group guidelines. John Hancock also reserves the right to discontinue, modify, or reassign a Sponsored Group account to producers other than the initial-writing agent.

## **Creating a Marketing Plan**

We encourage you to create the marketing plan in partnership with the employer or association president. This will help ensure that eligible employees and members have easy access to information on the LTCI program and will help maximize participation. Your marketing plan should include three key phases: Awareness, Education, and Implementation. The final plan for marketing should be on paper with timelines outlining all the strategies you will execute.

### **Awareness**

What is the announcement strategy? How will the eligible employees or members become aware of the program? Ask the employer or association representative to share with you what has successfully worked in the past for other voluntary benefit offerings. If partial or full employer pay, ask the employer how other benefits of this type have been communicated and implemented. Use those experiences to create a communication strategy that will ensure success with LTCI. John Hancock has prepared several approved support materials to assist you in announcing the new benefit to employees and members. Announcement letters, reply mailers, and postcards can be used as part of a wave mailing campaign. Approved advertisements are also available for use in employee or member newsletters.

### **Education**

Once the eligible employee population has become aware of their new benefit, how will you educate them on the importance of LTC planning? Customizable web pages are available for the employer or association intranet site with a link to the John Hancock consumer website for LTC. The consumer site provides information on the need for LTC planning as well as state-specific product information.

Holding seminars is a valuable and effective way to stimulate interest and ensure an accurate understanding of the value of LTCI. Seminars may provide an opportunity to explain the need for LTC planning with both the eligible employees or members and their families.





## Implementation

A key piece of your marketing plan is the enrollment strategy. An informative educational session, followed by individual appointments soon after, is the most effective enrollment process. Then, you only need to refresh the prospects' memories about LTCI and help them select their policy benefits.







After your initial meeting with employees or members, you will have a better feel for the environment in each organization. You should then go back and review your marketing plan. Consider the following questions; they will help you on your way to success.







>	Does the marketing plan fit the needs of the organization?
>	Do you have to make alterations to have successful participation?
>	What is your best strategy for additional product sales?
>	How will you gain access to the relatives of the employees?

## IV. Marketing materials

<b>GETTING STARTED</b>	
	<p><b>Information Worksheet (LTC-3190)</b></p> <p>Used for approval of a Sponsored Group.</p> <p><b>Instructions:</b></p> <ul style="list-style-type: none"> <li>&gt; Sales Representative to complete the worksheet and send to the Retail LTC Market Development Department.</li> <li>&gt; Must submit in order to receive Sponsored Group number.</li> </ul>
	<p><b>Sample Acknowledgement Letter (LTC-3191)</b></p> <p>Used to show authorization from the employees of the organization to market John Hancock's LTCI to their employees or members.</p> <p><b>Instructions:</b></p> <ul style="list-style-type: none"> <li>&gt; Letter must appear on organization's stationery and be signed by an authorized official of the organization.</li> <li>&gt; Must submit using this wording in order to receive Sponsored Group number.</li> <li>&gt; To complete approval, letter must also be signed by a John Hancock authorized officer.</li> </ul>
	<p><b>Marketing Plan Template (LTC-3193)</b></p> <p>Used to create a customized marketing plan for each Sponsored Group.</p> <p><b>Instructions:</b></p> <ul style="list-style-type: none"> <li>&gt; Use this detailed template to improve the results of your marketing efforts.</li> </ul>
	<p><b>Membership Verification Form (LTC-3192)</b></p> <p>Required with each application. It verifies that the applicant is either an employee or a member in good standing of the existing Sponsored Group.</p>

## PRE-APPROACH MATERIALS

	<p><b>Direct Mail Letters (LTC-DM3120 and LTC-DM3121) (Versions 1 and 2)</b> Used to prospect for Sponsored Group Programs with employers or associations.</p> <p><b>Instructions:</b></p> <ul style="list-style-type: none"><li>&gt; There are variable sections that need to be tailored to the specific employer or association being solicited.</li><li>&gt; Must be recreated on Company-approved stationery.</li></ul>
	<p><b>Employer Trade Publications Advertisement (JHAD191C2)</b> Used in trade publications to attract the interest of employers. It features a designated area for your personal information.</p>
<h2>PRESENTATION TO EMPLOYER/ASSOCIATION</h2>	
	<p><b>Employer Preapproach Brochure (LTC-3114)</b> Presents the benefits of offering LTCI to employers and employees.</p>
	<p><b>Employer/Association Presentation Inserts (LTC-3162A and LTC-3162E)</b> Provides the information needed to present the Sponsored Group Program to an employer or association president. Will be available preprinted on Sponsored Group stationery.</p>
	<p><b>Sponsored Group Stationery (LTC-3169)</b> For use with correspondence of Sponsored Groups.</p>
	<p><b>Sponsored Group Program Presentation (LTC-3171) — Association, (LTC-3170) — Employer</b> This PowerPoint presentation explains the Sponsored Group Discount Program (SGDP) concept to decision makers. It can be printed on paper or transparencies.</p>

<b>PRESENTATION TO EMPLOYER/ASSOCIATION (continued)</b>	
	<p><b>Sponsored Group Program Proposal (LTC-3103) — Association, (LTC-3102) — Employer</b></p> <p>Used as a leave-behind for the Sponsored Group for review after initial conversations. It can be personalized and placed in a binder to present to decision makers.</p>
	<p><b>Sponsored Group Proposal Coversheet (LTC-3101)</b></p> <p>Used with employer/association proposal to maintain professional appearance. PDF only.</p>
<b>COMMUNICATION TO EMPLOYEES/MEMBERS</b>	
	<p><b>Employee/Member Preapproach Brochure (LTC-3139) — Co-Branded</b></p> <p>Designed to create consumer (employee or association member and their eligible family members) interest in the Sponsored Group Program. It can be passed out at seminars or benefit fairs, or sent by mail to employees or members. It will have the employer/association name prominently displayed.</p>
	<p><b>Envelope Stuffer (LTC-3140) — Co-Branded</b></p> <p>Designed to be included in payroll envelopes for employees announcing the availability of SGDP from John Hancock. It will have the employer/association name prominently displayed.</p>
	<p><b>Announcement Letters (LTC-DM3124A and 3126A) — Association, (LTC-DM3123E and 3125E) — Employer</b></p> <p>Used to announce to employees or association members the availability of John Hancock’s SGDP.</p> <p><b>Instructions:</b></p> <ul style="list-style-type: none"> <li>&gt; Must be printed on the organization’s letterhead and signed by an authorized official of the organization.</li> </ul>
	<p><b>Employee/Member Reply Mailer (LTC-3160) — Co-Branded</b></p> <p>It will have the employer/association name prominently displayed. Ordering information can be found on your producer website.</p>

**COMMUNICATION TO EMPLOYEES/MEMBERS (continued)**

	<p><b>Employee/Member Postcard (LTC-3150) — Co-Branded</b> Another tool to announce the availability of the SGDP. It will have the employer/association name prominently displayed.</p>
	<p><b>Poster (LTC-3180)</b> Used within the office to announce meeting times and locations during enrollment process or initial launch.</p>
	<p><b>Table Tent (LTC-3183)</b> Used within the office to remind employees/members that LTCI is available for them to purchase through their organization.</p>
	<p><b>Sponsored Group Program Producer Guide (LTC-3172)</b> Provides complete product and marketing information for Sponsored Group LTCI sales.</p>
	<p><b>Sponsored Group Folder (LTC-3185)</b> Used with your presentation to the company/association president.</p>
	<p><b>Facts-at-a-Glance (LTC-3194)</b> Provides a brief overview of our Sponsored Group Program, including eligibility guidelines and directions on submitting required paperwork.</p>
	<p><b>Producer Training PowerPoint (LTC-3174)</b> Addresses the need for LTC, market trends, and the Sponsored Group Program.</p>

## V. Tips from successful producers

### **Commitment and support**

Commitment from the decision maker is critical to the success of your marketing efforts. If the employer or association president is reluctant to give you names and addresses, encourage employee/member participation in education seminars, or mention John Hancock in writing, then there is no real sponsorship. Remember, the major advantage of establishing a Sponsored Group is having the support of an employer or association. Without this commitment, the costs of marketing to a group typically outweigh the advantages. Producers tell us that the most successful Sponsored Groups are the ones where the decision makers actually assisted in developing and implementing the marketing plan.

### **Levels of clients**

There are two levels of clients to consider for each Sponsored Group. The first level is the employer or association president, the person with the power to decide whether or not to offer LTCI to his/her employees or members. The second level is the eligible employees or members themselves. According to successful producers, the following are important to both:

- > *The decision maker* — The decision maker has two main concerns: a quality LTCI company that will reflect well on their company or association, and a producer that will ensure a smooth communication and enrollment process.
- > *The individuals* — The eligible employees or members will be somewhat similar to those you would face in an LTCI sale — with one significant difference. Producers tell us that if you have targeted well, the affiliation with the organization created a diminished interest in competitor's products.

### **Persistence and patience**

These virtues are important when marketing to Sponsored Groups. It takes time to develop a relationship with the organization, as well as the employees or members. You need to get involved in the organization, participate in events, integrate yourself, and make your presence known. As time goes on, it will be important to maintain interest by keeping your name in front of the employees or members. Small-group benefit studies have shown that participation rates increase significantly after the fourth announcement is sent.

### **Managing small groups**

Smaller to mid-size groups are more manageable. If you are acting alone, managing a large group can be geographically challenging and expensive. It is acceptable to think big, but just be sure you have a comprehensive marketing plan and the willingness to make the financial investment, as well as the time commitment to implement the plan. Producers who have successfully managed larger Sponsored Groups will often partner with other agents.

### **More opportunities**

View the program as a way to open up cross-selling opportunities. Building and maintaining a good relationship with your Sponsored Group contacts gives you an advantage in marketing other products in your portfolio. Adding Sponsored Group LTCI to existing relationships with others can open doors.

### **Expected return**

With employer groups that are well-targeted and have a well-implemented marketing plan, a producer can expect a 3-10% employee participation rate. For well-marketed and well-chosen associations, a producer can expect a 1-5% member participation rate. Actual results will depend on organizations you choose to target, the support received from the sponsoring organization, and the frequency and quality of your access to the Sponsored Group.

## VI. Prospecting for Sponsored Groups

### Employer Target Profile

- > Existing policyholders who are small business owners or retired business owners
- > Family-owned businesses
- > Companies with a high concentration of highly educated, highly compensated employees (e.g., doctors, lawyers, and engineers)
- > Health care-related employers
- > Professions that are currently in extraordinary demand and in need of attracting and retaining key employees
- > Employers whose financial position is directly impacted by the cost of LTC (e.g., Catholic Archdiocese, convents)
- > Executive carve-out opportunities where you may not meet participation requirements for other group programs or products

### Association Target Profile

- > Local or regional associations
- > Associations that have high participation in other member benefits

### Prospecting

- > *Who:*
  - Centers of influence (e.g., accounting firms, law firms, chambers of commerce)
  - Third-party administrators
  - Local and regional trade shows
  - Call existing clients, call or mail to cold call lists

### Prospecting Materials

For a complete list of approved Sponsored Group materials, including pre-approach letters for business owners and associations, refer to the Sponsored Group Collateral Guide (LTC-3176). State variations may apply.

## Suggested Follow-Up

### Handwritten notes

Many successful agents have used handwritten notes with good results. The notes should be written on single-fold, high quality note cards with a business card enclosed. Prospects will feel that you have made a real effort in handwriting a note, and it also seems more personal. The results show that prospects are more receptive and polite once they recall receiving the note.

The content of the notes can be very general or specific to a product or service. From the below examples, you can see that commonality and credibility are extremely important as well. The message you want to convey is that you would like the opportunity to introduce yourself and your work.

### *Example of note content*

*To be written on approved note card with business card enclosed.*

Dear Mr. Smith,

As a fellow member of the Chamber of Commerce, I have noticed your business quite often; however, I don't think we have had a chance to meet.

I would appreciate the opportunity to introduce myself sometime soon. I will call you and know I will enjoy meeting you.

Many thanks,  
Bob Jones

*Example of note content to business owner*

*To be written on approved note card with business card enclosed.*

Dear Mr. Smith,

As a native of Orange County, I have worked with a number of our local business owners; however, I don't think we have had a chance to meet.

I would appreciate the opportunity to introduce myself sometime soon. I will call you and know I will enjoy meeting you.

Many thanks,  
Bob Jones

*Example of note content to business owner you know through the Chamber of Commerce*

*To be written on approved note card with business card enclosed.*

Dear Mr. Smith,

As a fellow member of the Chamber of Commerce, I have noticed your business quite often; however, I don't think we have had a chance to meet.

John Hancock's local office has been helping clients in the Washington, DC, area for more than 140 years. I haven't been around quite that long, but I thought you may like more information on how we could be helpful with covering potential long term care expenses.

Business owners such as yourself could also be eligible for tax deductions for long term care insurance, depending on the structure of your firm.

I would appreciate the opportunity to introduce myself sometime soon. I will call you and know I will enjoy meeting you.

Many thanks,  
Bob Jones

## Telephone language

*Agent:* "Hi, may I speak to Bill Smith please?"

"Hi Bill, this is Bob Jones with John Hancock Financial Network, and I sent you a note a few days ago; did it find its way to you?"

*Prospect:* "I don't remember seeing it. What was it about?"

*Agent:* "It was just a note to introduce myself and the work I do with \_\_\_\_\_ (clients, business owners, associations, attorneys, etc.) in our community on planning for their long term health care expenses. (smile) Does that ring a bell with you?"

### *Or, if the note was just introductory...*

*Agent:* "It was just a note to introduce myself and the fact that I work with \_\_\_\_\_ (same as above). (smile) Does that ring a bell with you?"

*Prospect:* (recalls receiving the letter)

"Yes, thanks, I got your note."

*Agent:* "Great. I would really appreciate the opportunity to introduce myself and get your opinion on what I am doing to help local businesses and associations with their long term health care planning. If this makes sense, I was thinking of getting together for a few minutes one morning next week. How would 10 a.m. next Tuesday work for you, or do afternoons work better for you?"

### *Or, if you have a definitive connection, such as the Chamber of Commerce...*

*Agent:* "Great. As I mentioned in my note, I have met quite a number of business owners through the chamber, but I don't think I have met you, have I?"

*Prospect:* "I don't think we have met."

*Agent:* "In that case, I would really appreciate the opportunity to introduce myself and get your opinion on what I am doing to help local businesses and associations with their long term health care planning. If this makes sense, I was thinking of getting together for a few minutes one morning next week. How would 10 a.m. next Tuesday work for you, or are afternoons better for you?"

*Prospect:* "When you say health care planning, what does that mean?"

*Agent:* "It really means helping people look to the future and answer questions as to how they will manage their health care as they get older. As an example, long term care insurance is an option if they don't want to use their own resources to cover expenses."

"When we get together, I can cover the choices people have, and why these types of benefits are of value, both to employers and their employees (or associations and their members). I can also answer any questions you may have. Is Tuesday a good day, or we could make it later in the week to get together."

## VII. Sample marketing plans

### Actual Long Term Care Sponsored Group Marketing Plan

2,500 Member Associations

WHEN	WHAT	WHERE	WHO	EST. COST	EST. RESULT
June	Announce LTC plan to districts	Quarterly meeting	Board of directors	\$0	Create LTC group plan awareness, develop interest
July	Attend district meetings and present LTC seminars to members	District meetings	Members of each district	\$600	Announce and create awareness to all members of association
August	Submit advertising ad in state quarterly newsletter	State newsletter	All members of assoc.	\$470	Reply cards w/our 800 number
September	Announcement letter	All members in state	All members of assoc.	\$1,200	Ability to meet members and explain LTCI
October	Assoc. annual convention setting up booth and advertising in convention magazine	Major city	Approx. 300 members of assoc.	\$2,360	Benefits of LTCI
December	Follow-up letter	All members in state	Members of assoc.	\$1,200	Appts. w/members for LTCI coverage
January	Attend district meetings	All districts of state	Members of each district	\$600	Set up appts. w/members
February	Submit ad in quarterly magazine	State newsletter	All members of assoc.	\$500	Create awareness
April	Attend local meeting	Major city	Members of individual district	\$0	Build relationships, create visibility

**Total Cost:** \$6,930

**Total Est. Sales:** 100 paid policies in 12 months

**Participation Rate 12 months:** 4%

## Actual Long Term Care Sponsored Group Marketing Plan

485 Employee Groups (Three States)

WHEN	WHAT	WHERE	WHO	EST. COST	EST. RESULT
June	Initial announcement of LTC plan	Meetings, conference call	23 shareholders	\$500	High shareholder participation
July	Employee seminar	On-site seminar, individual appointments	MA employees	\$50	10% participation
August	Employee seminar	On-site seminar, individual appointments	NH employees	\$50	10% participation
September	Employee seminar	On-site seminar, individual appointments	CT employees	\$50	10% participation
June (additional)	Payroll stuffers/postcards announcing the plan and upcoming seminars	CT, MA, NH	All employees	\$600	—
October	Follow-up letter mentioning eligible family members	CT, MA, NH	All employees	\$350	—

**Total Cost:** \$1,600

**Total Est. Sales:** 66 paid employee policies and 30 spouse or family member policies in 12 months

**Participation Rate 12 months:** 10% of eligible employees, plus spouses or other family members

## VIII. Getting started in Sponsored Group

### **Review Your Current Book of Business**



#### **Look for:**

- > Small business owners
- > Clients who may be members of an association
- > Clients who are self-employed or part of a small family business

If you have LTCI experience, contact your client and schedule a time to discuss LTCI in the employer or association market.

If you do not have LTCI experience, partner with an experienced agent in your office.

# Notes

# Notes





Financial professional use only. Not for use with the public.

Long term care insurance is underwritten by John Hancock Life Insurance Company, Boston, Massachusetts 02117.