

To Reach Women Entrepreneurs, Talk About LTC

BY WILMA G. ANDERSON

WOMEN-OWNED BUSINESSES make up a fast-growing market in every community. One way to reach the owners of those businesses is to lead with long term care insurance.

By tapping into family dynamics and stressing that LTC insurance will enable the woman business owner to protect her family, you'll press her hot buttons and make more sales.

The size of the women-owned business market is already immense.

Women own an estimated 10.6 million firms, some 48% of all privately held firms in the United States. These firms generate \$2.5 trillion in sales, employ 19.1 million people and spend \$54 billion annually on employee benefits, according to the Center for Women's Business Research, Washington.

In the past 12 years, the number of women-owned businesses has more than doubled, employment has increased fourfold and sales have grown fivefold. The largest share of women-owned businesses is in the service sector, but the greatest growth is in industries such as construction, wholesale trade, transportation/communication, agriculture and manufacturing.

Businesswomen want to remain financially independent and not become a burden on their children

Women entrepreneurs are more likely than male business owners to place value on business relationships and on factual information, according to CWBR researchers. Women business owners are more likely than their male counterparts to seek out the opinions and input of others—which is good news for advisors.

Women's interest in hearing about new ideas is especially good news for advisors who can talk about LTC insurance.

Women business owners are usually more receptive to hearing about LTC insurance than businessmen because they're more often caregivers for aging parents and other relatives. Many have experienced firsthand the burden of care and have seen

the financial devastation a long stay in the nursing home can cause.

Because women live longer than men, they realize they're more likely to need long term care. Businesswomen want to remain financially independent and not become a burden on their children. When you ask a woman business owner, "What are the plans for when your health changes?" they understand the question. Men tend to deny that anything bad will ever happen.

If you ask the right questions and go about your initial fact-finding the right way, you'll find a receptive audience among women business owners for LTC insurance.

But it's hardly a slam-dunk sale. Generally, people 60 and over are the most motivated buyers for LTC insurance. Though more amenable than men, women in the middle of their careers need to see LTCI as a pressing need before they'll commit.

Cost is another sticking point. Solid LTC coverage isn't exorbitant, but it's not inexpensive.

One answer to the cost dilemma for the woman business owner is this: Let your company pay for LTC insurance through an executive carve-out combined with a health savings account, or HSA, so that the business owner can pay the premiums with pretax dollars. It doesn't matter whether the company is an S or C corporation, partnership or sole proprietorship—all types of businesses and all sizes are eligible, as long as the health insurance plan has a high deductible. Combine the HSA sale with the LTC sale and you'll have one of the safest and most creative ways to offer an LTC insurance carve-out. And that strategy offers another way to take advantage of HSAs, one of today's hottest products for businesses and individuals.

LTC insurance is also hot, as sales in the workplace are increasing 35% annually. And one major reason is that LTCI doesn't have to fall under a cafeteria plan. If a com-

pany offers medical or dental insurance, it must be offered to all employees, but LTC insurance is one of the few benefits that can be carved out for a select group of one or more owners or executives.

Another option is for the company to fund the LTCI plan at a low level for all employees and pay for \$30 a day in benefits, for example. Employees can buy higher limits as they like, and the company can pay for a higher level of benefits for the owner and perhaps other key executives.

Today, LTC insurance premiums count as a qualified medical expense that can be paid completely from money accumulated in the HSA up to certain limits, which vary by age. In 2005, the limits (which are indexed to the inflation rate) range from \$260 for taxpayers age 40 or under to \$3,250 for taxpayers age 71 and over. Because LTCI premi-

ums are much lower at younger issue ages, the limits are reasonable and attractive. However, people age 65 or older cannot have an HSA because, for now, anyone on Medicare is ineligible to participate in the HSA program.

When you are making your presentation, remember that buying LTC insurance is as much an emotional decision as a cold-hearted calculation. Yes, you do have to explain the numbers and tax ramifications, but don't get so tied up in the details that you fail to give the woman business owner an emotionally compelling story.

Buying LTC insurance is all about staying financially independent and protecting one's family and estate. ■

THE STATS	
WOMEN-OWNED BUSINESSES	
Number of firms	10.6 million
Annual sales	\$2.5 trillion
Number of employees	19.1 million
Annual expenditure on employee benefits	\$54 billion
<small>Source: The Center for Women's Business Research, Washington.</small>	



► Wilma G. Anderson, a sales trainer serving agents, companies and managing general agents, is president of Senior Care Associates Inc., Littleton, Colo. She can be reached at Wilma@theltcoach.com.