

The Transition

(You must memorize the TRANSITION and the 4 W's.)

At the end of every Medicare supplement sale, there is one simple phrase you should use to transition into a conversation about Cancer, Heart Attack, and Stroke insurance. You should tell the clients:

“Be sure not to cancel your cancer, heart attack, and stroke insurance.”

It's that simple. This phrase will get the client to respond in one of two ways:

1. “What is cancer, heart attack, and stroke insurance?”, or
2. “I definitely would not cancel that.”

This opens the door for you to start talking about CHS insurance. If they use number 2, ask them if you can review their CHS plan, as plans are constantly changing and they may not have the most modern, comprehensive plan. In the following pages, you will learn the 4 W's to keep the conversation rolling. Keep reading.

Cancer is often in the news.

Cancer affects many people in the U.S.

- Men have nearly a **1-in-2** lifetime risk of getting cancer.
- Women have more than a **1-in-3** lifetime risk.
- More than **1.6 million** Americans are expected to be diagnosed with cancer this year.

The good news: Thanks to earlier detection and advanced treatments, more people are surviving cancer.

- The five-year relative survival rate for those diagnosed with cancer is **68%**.



Source: American Cancer Society, *Cancer Facts and Figures 2014*, p. 1-2.

The above facts represent the U.S. population, are provided for information only and do not imply coverage under the certificate/policy or endorsement of the company or certificate/policy by the American Cancer Society.

WHO

One of our most successful CHS agents always starts the conversation with, “There is so much cancer here in the (insert town) area, it’s unreal!” (Client will agree with you 99% of the time). Here is exactly what you need to say to continue the conversation:

Agent: **Who** do you know who has experienced cancer?

- Who in your family? Friends? Church members? Community members?
- (Let client respond. **DO NOT CONTINUE UNTIL CLIENT OPENS UP**)

WHAT

Agent: **What** type of cancer did they have?

(Let client respond)

WHEN

Agent: **When** did they go through this?

(Let client respond)

WHERE

Agent: **Where** did they go for treatments/surgery?

(Let client respond)

Agent: How many treatments did they have? Cancer is treated so differently than it was 10,20, 30 years ago. Back then, they would only do 2-3 treatments. Nowadays, it can be as many as 30-40.

(Let client respond)

Agent: What types of treatment did they have, i.e., chemo, radiation, Rx drugs, etc?

Spend as much time as possible on these questions building the need.

Once you have spent ample time getting the client to open up and building the need, you will start into your presentation, which we have put together for you. This is a tried and true method one of our agents has used to put over 800+ CHS policies on the books.

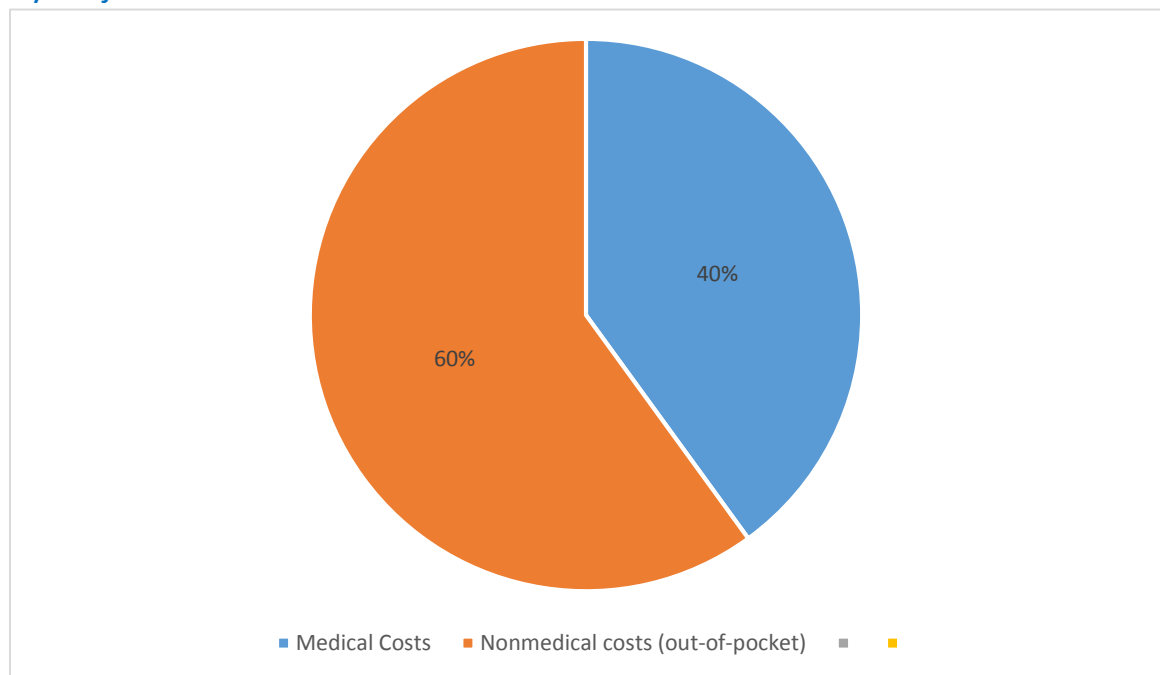
Flip to next page to start presentation.

Agent: Have you folks heard of Mayo Clinic, MD Anderson, or any of the other new advanced treatment centers? (Client will say yes)

Agent: Here is why EVERYONE who is diagnosed with cancer should get a 2nd opinion at one of the advanced cancer treatment centers. That is all they do is deal with cancer. All types. All day. EVERY DAY. They can, at the very least, set you up on a treatment program, and you can go closer to home if possible and follow that program.

Agent also needs to stress that there could be travel costs associated with visiting one of these centers, which would come out of the client's own pocket. Travel costs include gas or plane ticket, hotel rooms, food and drink, etc. This can get very expensive depending on how long they have to stay there.

Nearly 60% of the total cost of cancer is **nonmedical** and may not be covered by major medical insurance.



ADVANCED TREATMENTS CAN DRAMATICALLY INCREASE THE RECOVERY RATE.

- These can be expensive, and the cost of travel and related expenses can add up quickly
- Your family's financial security might not survive your cancer treatment.

The two basic costs associated with cancer are:

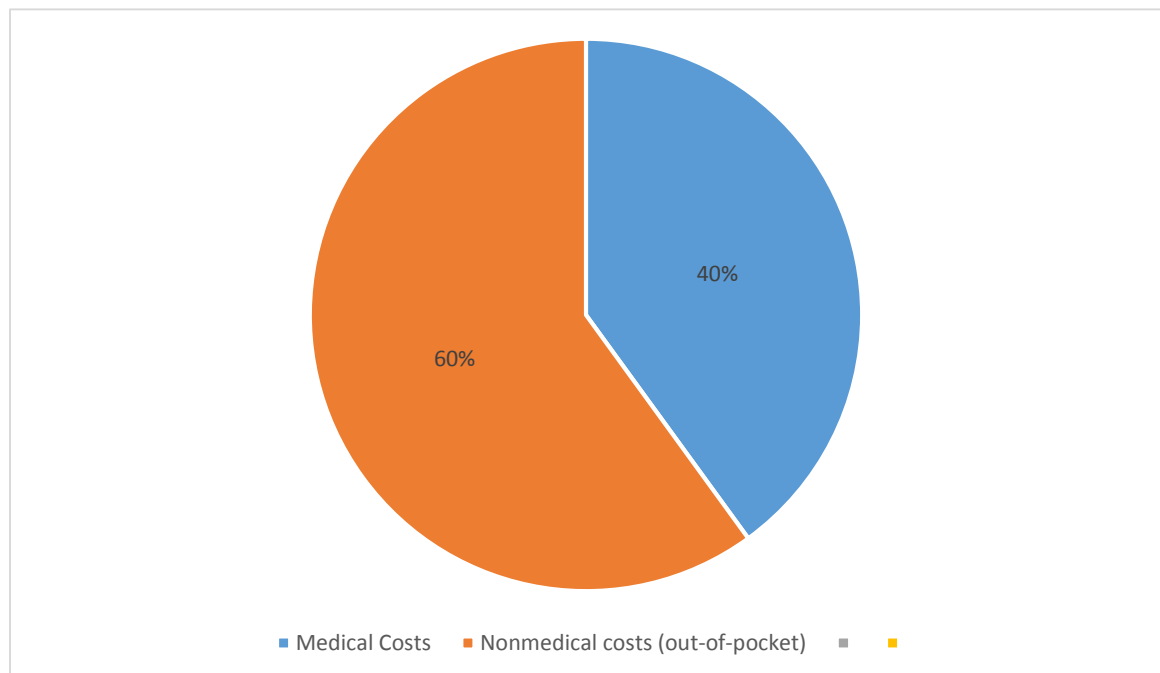
1. Medical Expenses

These costs typically are partially or fully covered by your standard medical insurance. Examples include doctor bills and hospital charges.

2. Nonmedical Expenses

These unavoidable expenses caused by cancer may have to be paid *out of your own pocket*.

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1. The benefits described in the policy/certificate/rider do not cover all nonmedical expenses. However, the benefit payments you receive can be used to pay any of your medical or nonmedical costs not paid by any other insurance
2. American Cancer Society, *Cancer Facts and Figures 2014*, p.3.

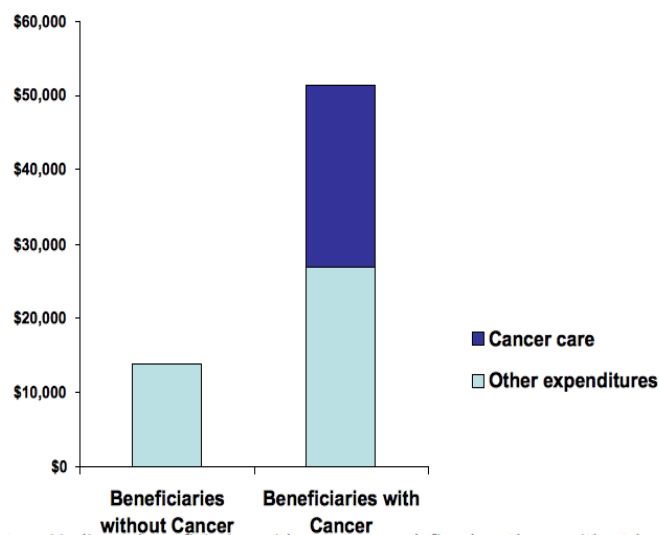
Agent: Unfortunately, Medicare isn't paying for more and more these days. It is paying for less and less all the time. Medicare has eliminated prescription drugs. They are coding people "under observation" more and more, which Medicare does not pay for. This program is designed for folks on Medicare.

Really go through the "benefit limitations" of their Medicare coverage, and drive home the fact that while Medicare may cover SOME of their costs associated with cancer, there are other "non-medical" costs associated that they won't cover. In fact, around 60% of financial costs due to cancer are non-medical.

Always be sending non-verbal cues throughout the presentation. Nodding your head "yes" in agreement and getting the client to do the same can be very subtle and powerful.

Average Medicare expenditures for beneficiaries with cancer are almost four times higher than expenditures for those without cancer

AVERAGE MEDICARE FEE-FOR-SERVICE EXPENDITURES PER BENEFICIARY



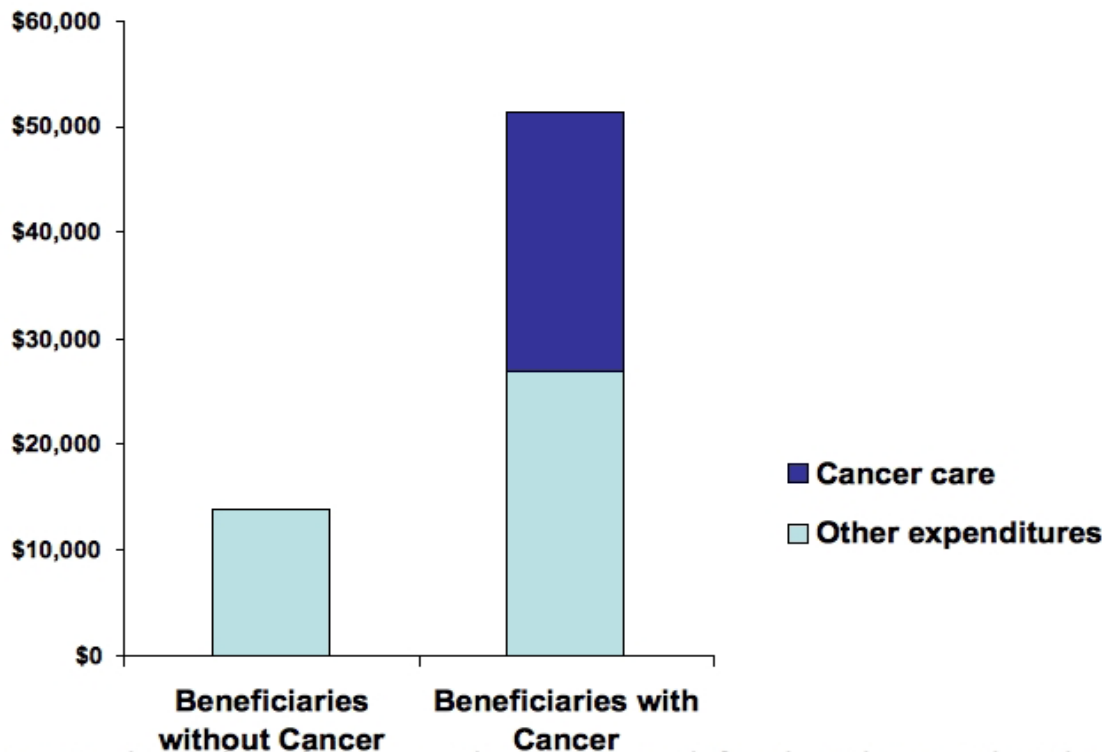
Medicare beneficiaries with cancer have on average much higher health expenditures than others. From a multiyear survey, expenditures for beneficiaries with cancer averaged \$51,000 compared with \$14,000 for those without cancer. While on average cancer treatment accounted for about half of total Medicare expenditures for those with cancer, other health expenditures were almost twice as high for beneficiaries with cancer than for others.

Notes: Medicare beneficiaries with cancer are defined as those with at least five cancer-related claims and more than \$500 in total Medicare reimbursement for those claims. They would likely include patients with an initial diagnosis of cancer, those under medical surveillance, and those being treated for recurrence. The data do not serve as a surrogate for new incidence data.

Source: Jean Mitchell, Georgetown Public Policy Institute, 2008. Analysis of Medicare Current Beneficiary Survey data.

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Unfortunately, medical costs are only one piece of the puzzle.

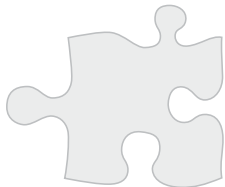
Here are a few others:

1. Insurance shortfalls



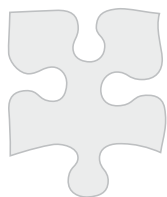
- Deductibles
- Copayments
- Benefit limitations

2. Special expenses



- Transportation
- Hotels
- Special diets
- Family care

3. Living expenses



- House payments
- Car payments
- Utilities
- Groceries

4. Loss of income



If you or your spouse is unable to work or must provide care for a family member

Breakdown of Cancer Cost

Medical Cost-40%

Yes, most medical plans partially or fully cover the **medical cost** associated with Cancer. Ask these questions about their medical insurance:

- Does your plan have deductibles?
- Does your plan have copayments?
- Does your plan have benefit limitations?

Nonmedical Cost-60%

Nonmedical cost, generally is the bigger piece of the pie/cost.

- Transportation to-from the cancer treatment
- Hotel accommodations if treatment center is out of town.
- Unable to work and loss of income?
 - How will you pay for house payment, car payment, utilities, groceries/special diet?

There are ways to help pay for many of the out-of-pocket costs of cancer.

They include:

- Drawing on life savings.
- Selling assets.
- Buying supplemental insurance.



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Consider these two things:

1 **Need**

If you were affected by cancer, could you easily budget for nonmedical expenses, lost income, depleted savings and insurance shortfalls?

2 **Affordability**

This policy is affordable for most families depending upon their income, other insurance and personal circumstance. Most families are able to fit a premium payment into their budget without a change in lifestyle. Can you?

A Cancer, Heart Attack & Stroke policy can help answer these questions.

You must consider these two things when looking at the costs associated with cancer:

1. Need – If you were affected by cancer, could you easily budget for nonmedical expenses, lost income, depleted savings, and insurance shortfalls?
2. Affordability – This policy is affordable for most families depending upon their income, other insurance, and personal circumstance. Most families are able to fit a premium payment into their budget without a change in lifestyle. Can you?

MOST PEOPLE ONLY THINK ABOUT THIS
TWICE IN THEIR LIFETIME:

1. Right now as we're talking about it, and
2. After they get diagnosed with cancer,
and by then it's too late.

WHAT WILL YOU DO?

You will then move into your closing statements. You will need to have the rates readily available, which have been provided to you. Show them three options: \$5k, \$10k, or \$20k.

Agent: If you were to go with this plan, which plan would you choose?

(Client will probably say “I need to think about it.”)

Agent: (Client name), I completely understand how you feel. In fact, most of my clients have felt that way. However, what I have found is that there are two times in a person’s life when they think about this: the first is right now during our conversation, and the second is after they get diagnosed with cancer, and by then it’s too late.

If it’s an affordability issue, explain to them that they are either coming off a major med plan, in which they were probably paying thousands per month for with high deductibles and co-pays, and how cheap their Medicare coverage is compared to that. Or, if they were already on Medicare and you saved them some premium, tell them about how much more their coverage is for little to no increase in premiums per month.

Keep responding to their objections to the best of your ability. Some people will just flat out say no, but if you get good at this presentation, you should have around a 30% closing ratio.