Right Sized LTC:
Selling Coverage Clients Will Actually Buy



Presented by:
Holly Westervelt, MBA, CLF, LUTCF, CLTC
Vice President of Sales

November 19, 2026

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About Us

Krause Agency is a national wholesaler of insurance products tailored to the senior market. With a focus on asset preservation solutions, we provide products, training, and support to agents and advisors helping clients plan for retirement and long-term care.



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30+
Years of Experience

400+
Clients Helped Monthly

1,300+
Active Agents

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Cue the Sticker Shock



- Most agents lead with: **The cost of a private nursing home room is $100,000 annually.**
- Most customers think about the **"worst case scenario" of a long and drawn-out need** for care for many years.
- Clients talk about **"self-insuring"** because the need at the high end of the spectrum is so large and unattainable.
- **The conversation stalls…**

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The Reality of Long-Term Care

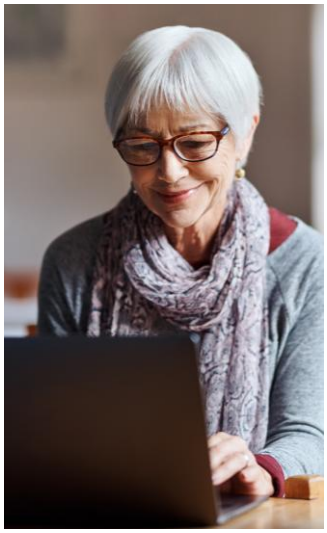
- 47.3% of people age 65+ **will need care** that would trigger an LTC claim
  - *10% will need paid care lasting 2-5 years*
  - *4.4% will need paid care more than 5 years*

$6,300	$5,900	$2,000	$900
Home care (Homemaker or Home Health Aide) costs $6,300 per month on average.	Assisted living costs $5,900 per month on average.	The average 80-year-old receives $2,000 per month in Social Security.	56% have a pension, averaging about $900 per month

Even modest coverage can make a difference.

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A Real-Life Story: Gertie



- Gertie is 76 and was diagnosed with **dementia** 4 years ago.
- Her husband cared for her until he passed from a heart attack.
- She then had to move to an assisted living community that costs **$5,300 per month**.
- Her income is $2,000 from Social Security and $500 from a small pension, totaling **$2,500 per month**.
- Gertie has no extended care coverage and **no plan for care**.

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A Real-Life Story: Gertie

- Gertie **liquidated all her assets**, including the home, to support her care.
  - *When this pool of money is gone, it's gone.*
- She draws down her assets by **$2,800 per month**, and her children pay all other expenses like personal care needs, doctor copays, etc.
- Gertie's cost of care is expected to **increase to $7,300 per month** when she moves into memory care within the next year.
  - *As a result, she draws down her assets by $4,800 per month, meaning her money will run out in just a couple of years.*

$2,000 per month would change everything.

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Why Modest Benefits Work

- $2,000 per month paired with SS/pension income offsets a large part of the assisted living cost, ensuring the **money will last much longer**.
- Having access to supporting funds earlier allows asset base to be **invested and grow** for a longer duration.
- LTCI is more than benefit dollars – it includes **care coordination, home modifications, and more**.
- Premiums for **smaller benefits are more affordable**, making help more accessible.
- Modest benefits help an agent **get to "yes"** more often with clients.

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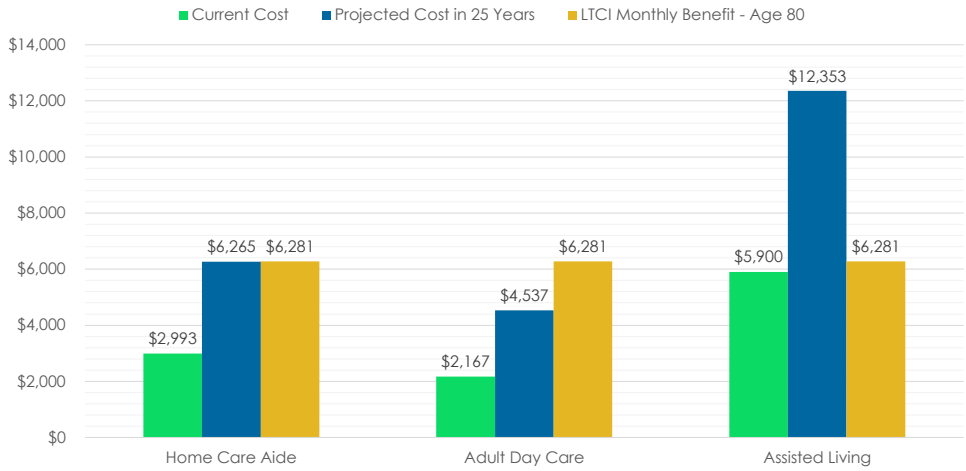
Premium vs. Benefits

- Female, Ohio, 3% compound inflation, $3,000 monthly benefit
- Purchased at age 55 - $195/month premium
- At age 80:
  - *$6,281 monthly benefit*
  - *$157,033 benefit pool*
  - *$58,500 total premium paid (300 months)*

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Benefit vs. Cost of Care



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What Does the Monthly Benefit Cover?

- **Home health aide** (88 hours per month at age 80)
- **Adult day care**
- **Assisted living** when paired with SS income

A modest LTCI policy also:

- Buys time for family to make arrangements
- Helps offset payment to SNF
- Stretches savings and income further

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The Myth of Self-Insuring

- *"I'll just self insure"* – why it falls apart
- Not just about money, also about **emotional stress** on families
- Care costs are **rising faster** than financial portfolios.
- Assets **aren't always liquid** when needed or the timing could be off.
- Turns a known risk into an **open-ended liability**

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Reframing the Conversation



- **Don't ask**, "*How much do you want to cover?*"
- Instead, ask, ***"If care costs $6,000 per month, how much coverage would give you peace of mind?"***
- Clients realize they don't need a Cadillac plan – just the **right-sized plan for them**.

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The Power of Enough

- Small plans **lower resistance and increase placements**.
- Partial coverage is **meaningful coverage** - you don't have to cover it all to make a difference.
- Even modest benefits can **protect families, preserve savings, and create peace of mind**.
- Right-sized solutions lead to **real results** for your clients and your business.

You don't need to sell the biggest policy – just the one that makes a lasting difference.

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THANK YOU!

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