

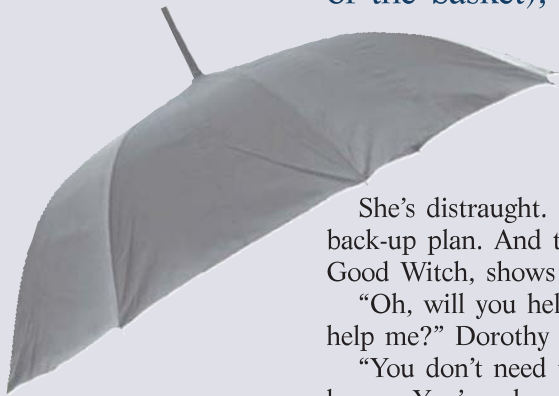


# More Sales for Your DI Practice

If your disability income production is not what you'd like it to be, pay close attention to the tips offered by the top producers featured in this article. Their helpful hints may be just what you need to power up your business and move closer to the practice of your dreams.

BY TINA OREM

In the “Wizard of Oz,” after spending an eternity wandering around—in heels!—looking for the Wizard (and then finding out he’s a fraud), Dorothy and her aching feet finally catch a ride back to Kansas on a hot air balloon. But the unexpected happens (Toto jumps out of the basket), and she misses her ride.



She’s distraught. She has no back-up plan. And then Glinda the Good Witch, shows up.

“Oh, will you help me? Can you help me?” Dorothy pleads.

“You don’t need to be helped any longer. You’ve always had the power to go back to Kansas,” Glinda says in her sing-song voice, pointing to Dorothy’s ruby slippers. You know the rest.

One of the underlying themes of this celebrated story is that people often fail to see the value of what’s in front of them. Never is that lesson more applicable than in May, which is dedicated to promoting disability income insurance among consumers. And in this still fragile economy, consumers need to know about DI insurance. More than 70 percent of American households rely on two incomes to make ends meet, but less than a third of Americans

have DI insurance to protect those incomes if “Toto jumps out of the basket.”

That makes you, their advisor, Glinda the Good Witch. You’re there to give your clients ruby slippers for their journey, and later on, when they’re distraught, show up and help them handle it.

But even though it can be challenging to sell DI insurance, many producers are excelling at it. Here’s what they have to say about how you can power up your DI insurance business. The pink dress and tiara are optional.

#### **The doctor *will* see you now**

Physicians, surgeons, and other medical professionals have long been prime targets for DI insurance not only because they are relatively sophisticated and can afford the premiums, but because they are



also highly dependent on fine motor skills and other physical abilities.

Matt Webber, a financial advisor at the IMG Financial Group in Houston, Texas, markets DI insurance to a lot of physicians because, he says, they're among the few people who actually seek out the coverage. "A lot of times, physicians early in their career or while they're still in training, don't have a lot of assets, but their future incomes are worth a substantial amount," he explains.

"They're worth millions; they just haven't earned them yet," he adds. I call disability insurance 'the hook' in my practice. Most of my clients, that's how they become clients. I lead with disability and life insurance."

People in other professions—law or real estate, for example—can be good leads as well. Mark Crites, CLU, ChFC, and owner of Crites Insurance Group in Dallas, Texas, says he sells DI insurance to a lot of dentists ("we got into a nest

of CPAs and financial planners who work with dentists," he says), but he also sells a lot of guaranteed standard issue disability insurance to attorneys, who seem to think about the coverage a little differently. "They want to know what Partner A is doing versus what Partner B did," he says.

But Webber has found that the more physical expertise a profession requires, the better the prospect. "An attorney, a real estate person who maybe is behind a desk more, I think they think it's got to be something more catastrophic that would prevent them from working. But a physician could get something like rheumatoid arthritis or an eye problem that could cost them their career."

The opportunity to cross-sell can be much better too, though not always easy. "Is it harder to get assets for investing and those things?" he asks. "Absolutely. You have the recession, you got a volatile stock market, and you

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have some people stealing. It's hard for them to trust, but with DI insurance, it's easier to trust an insurance company."

### Learn to attract the young

Producers who look off the beaten path know that younger clients, often in the middle market, are also viable prospects, especially if the producers know about products tailored to their needs. It's tricky work, but it can pay off.

"I think the premium's a roadblock," says Webber. "People are inundated with insurance; it's health insurance, disability insurance, life insurance, homeowners, auto, identity theft. You look at your budget and realize a good portion of one's income is paying for insurance, so they have to navigate putting food on the table with those lower incomes."

But young families, especially those living paycheck to paycheck, clearly benefit from DI insurance. Not only are they carrying

## Clients who already have group DI insurance pose huge selling opportunities.

considerable risk burdens, but they also are some of the least likely to have planned for the possibility of becoming disabled.

According to the Social Security Administration, a full 25 percent of today's 20-year-olds will become disabled before they're 67. The Council for Disability Awareness (CDA) says the chance of any worker becoming disabled during his lifetime is more like 33 percent. And although 90 percent of workers say that people in their 20s and 30s should plan for an income-limiting disability, according to CDA, only about 43 percent have even talked about doing it.

It's a rich opportunity for producers with the right delivery. "Most of the people who buy

disability are 35 to 45, in that range," says John Nichols, CLU, MSM, president of Disability Resource Group in Chicago, and NAIFA Secretary. "I think they start seeing where life happens. Then they start getting overloaded with debt and/or living expenses, kids, whatever, and they ask: 'What if something happens to me and I'm a professional providing \$X?'"

"But we've got to get it to be a must-have product, not a maybe-have product," he continues. "And maybe the manufacturers need to create products that are a better fit for a 20-year-old, and maybe we need to improve our distribution for the 20-year-old in order to have more conversations. Disability insurance is just the door opener."

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The problem is that producers seem to forget to bring it up. One LIMRA study found that only 18 percent of consumers recall a producer talking to them about DI insurance. “We’re just not having enough of these conversations,” says Nichols.

### Target group DI owners

Clients who already have group DI insurance pose huge selling opportunities because they already have an idea of what DI insurance is, but very likely don’t realize their policies have holes that an individual policy could patch.

“The biggest mistakes are people just assuming that if they get it through work, they’re squared away. I see that a lot,” notes Webber, who qualified for MDRT after just two years in the business. For example, having a simple conversation about the differences in how group carriers define the word disability can go a long way, because people often don’t realize that small differences in wording can mean huge differences in coverage.

“A lot of times, you have to be completely disabled for it to kick in,” Webber explains, “whereas in an individual policy, if you’re partially disabled, you’re going to get a portion of the benefit. So it’s not an all-or-nothing type of policy. Those partial disability features are critical, because statistically, most disabilities are partial.”

Another example stands out. “A lot of times with sales professionals, only their base income is covered with the group,” Webber says. “But all their commissions and things above that won’t be covered. They need an individual policy to cover the gap.”

### Separate value from price

People are more sensitive to price these days; so, relying on highlighting coverage differences to win the sale won’t always cut it.

**Webber has found that the more physical expertise a profession requires, the better the prospect.**

“It’s tougher,” says Crites, and adds that he’s seeing carriers paring down benefits. “Not everybody wants the top-of-the-line King Kong contract out there,” he explains, noting that price differences provide flexibility, which consumers like. The trouble is that when consumers shop based on price, they often assume that the coverage is all the same.

They may get lower rates from discounted carriers, Crites explains, “but they offer fewer benefits too.” It’s up to producers and advisors to point out the differences in coverage, because consumers often assume the coverage is all the same. The key is to separate the concept of value from the concept of price. “It’s nice to have choices,” he says, and “most people still choose the better product.”

### Avoid information overload

The first job of the advisor is to inform his client. But because the ins and outs of insurance policies can intimidate even the most educated person, it’s important to find the line between duty and overload. Nichols, who experienced disability firsthand when he had a life-changing waterskiing accident in 1993, explains it this way: “As the advisor, it’s our job to make sure we’re providing the appropriate product. Do we need to review it with the client? Certainly.” Nichols has been in the business since 1984, and his 16-member team focuses only on DI insurance.

“Once you start getting beyond the core elements,” he continues, “then all you’re doing is slicing and dicing. I’m not saying that’s not important, but for the average

person, to sit here and have a debate over a recovery benefit, that takes away from the sale, quite frankly. Ultimately, when I’m sitting with customers, it’s about protecting their dreams and goals. We’re not getting into this conversation of ‘here are the 26 elements of this disability policy.’”

This concept applies to group sales, too. “We just did a good-size GSI case,” adds Crites—who has qualified for MDRT Top of the Table for 14 years. “And they also asked us to do the group long-term disability, and STD, and life. So we were awarded that business.” Crites says he went a step further and asked the group if he could quote the voluntary life coverage that the organization had through another broker.

“Well, I gave them too much information,” he chuckles. “I should’ve just shut up.” The other broker found out about Crites landing all that new business and didn’t like it.

“It just caused all sorts of confusion,” he says. “I wasn’t trying to take the business away; what I was trying to do is just tell them they ought to shop it, because the other person never told them to do so.” He almost lost business that he’d worked for two or three months to get. “So we had to go and salvage that,” he sighs.

### Call it something else

The words “disability insurance” have such a negative connotation, Nichols says. “They can really start the conversation off on the wrong foot.” That’s why calling it *income protection or wealth preservation*