

SALES IDEAS

Four Tips to Boost Your DI Sales

Target the right audience, get personal, emphasize income as the biggest asset, and simplify policy delivery.

Individual disability income (IDI) insurance can be a complicated product to sell, partly because many people think that “a disability will never happen to me” and a purchase is often deemed unnecessary. As an advisor, you can address this outlook by focusing on four blocking and tackling basics that make it easier to discuss and sell IDI:

1. Identify the target audience.

Selecting the right audience for IDI insurance is critical for a successful sale. Consider individuals in professions that may already recognize the value, but need education and the right product before buying. For example, consider selling it to small-business owners who often must rely on themselves for benefits and who play an integral role in the success of their companies. In the event of an unexpected disabling illness or injury, owners must be able to protect their personal and company finances.

Another potential target group consists of large employers where group long-term disability insurance may be inadequate for high-level executives, such as CEOs or presidents. What most highly paid key employees and executives don't know about group LTD is the large income gap they're vulnerable to. This income gap equals the difference between the disability protection they have through their employer's group LTD program and what they actually need to maintain their typical standard of living during a disability.

Benefits from employer-paid LTD plans typically replace 60 percent of an employee's earnings. Executives tend to assume that LTD benefits, plus Social Security disability benefits, will be sufficient. But in many cases, a benefits cap kicks in, bonuses are not included and the coverage is too low. This income gap may leave individuals vulnerable and in need of supplemental IDI insurance.

2. Get personal. Understanding your prospects' specific needs allows you to propose the best coverage options. Go beyond surface-level inquiries and take it to a personal level to determine those needs.

The following questions may help:

- What are your life goals? What is most important to you?
- Why did you choose your current profession?
- Do you know anyone who has felt the financial impact of disability?
- Have you considered the average duration of a disability-related leave (five years)¹, and how it would impact you?

3. Emphasize income as the greatest asset. To demonstrate why IDI insurance is crucial, help prospects recognize what would be lost if a disability were to occur during their working years. Explain that income is their greatest asset—it enables them to meet daily needs and supports their lifestyle, so it should be seen as their largest resource to insure. If your client can't work, he may not achieve his full earning potential, which means a loss of income he is yet to be worth, or “yet worth.” IDI insurance ultimately protects

his ability to earn that worth in the event of a disability-related absence from work.

To think about “yet worth,” consider a 30-year-old doctor who just signed a contract and will make \$200,000 per year. He is looking at 35 years of income or an estimated lifetime income of \$7 million. It will take years for him to reach that amount; however, IDI insurance enables him to continue earning toward that lifetime income even if a disability should occur.

4. Simplify policy delivery. Look for carriers that offer insurance policies electronically to help streamline the delivery and acceptance of IDI insurance. Carriers can typically set up the policy so you can share it easily and quickly with clients online. They can review the policy and approve with only an electronic signature, which reduces the burden on both of you and simplifies the overall process.

Electronic policy delivery also enables timely policy changes (usually within the same day), faster reissuing of policies and quicker payment of commissions. You can efficiently manage policies while decreasing the amount of paperwork needed, giving you more time to focus on sales. □

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¹Based on Standard Internal Data.