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5 "Gifts" To Get You Started In DI

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I have a confession ...

In early January 2009, I received a package from one of my business partners. It was wrapped in opulent silver paper and tied with an organza ribbon. The stunning presentation stopped me in my tracks. I wondered what inside could be worthy of such adornment.

My confession is this: It is a year later and I have yet to unwrap the package. It sits undisturbed on the corner of my desk and occupies a tiny crook of my imagination each day.

Do you know what else sits undisturbed? My expectations.

You see, I have high expectations. I don't want to be disappointed. And so, I sit here and do nothing instead of taking a leap of faith and discovering if the contents of this package might change my life. Nothing ventured, nothing lost. Nothing gained.

In reflection, I think my package quandary is similar to the dilemma faced by many brokers who aren't quite as fulfilled as they could be. These brokers have many valuable gifts readily available. They've looked at the gifts, but that's all they've done. For some reason they've restrained themselves from a good, old-fashioned rip-and-tear session. Perhaps the solutions seem too good to be true. Maybe they aren't sure how to get started. Or it might just be that they are subconsciously afraid of being disappointed.

But for one moment, stop and think ...

How much does doing nothing cost? What is the price of a lost opportunity?

If you're a broker who isn't already tearing it up in the disability market, now is the time to unwrap your true potential. Here are five very valuable gifts to help get you started.

Gift #1: Lackluster competition

Most agents lack confidence when it comes to selling Disability Insurance (DI). They're uncomfortable with the product and fearful that they won't be capable of answering questions.

Why? Because they haven't practiced it much. We all feel a little uncomfortable when we try something new — whether we're 5 years old, learning to ride a bike, or 50 years old, learning a new product. Discomfort isn't a barrier — it's a gift. It's an opportunity to execute in an underserved niche. Most agents avoid uncomfortable situations and therefore avoid selling DI. This makes it easier for you to rise to the top in a wide-open playing field.

Keep in mind that you'll only feel uncomfortable in the beginning. By partnering with a reputable general disability insurance agency, you'll have access to educational tools,

underwriting assistance and case management assistance. You don't have to be an expert to succeed in DI — you just need an expert partner and the courage to power through the discomfort of learning a new skill.

Gift #2: A ready-to-buy audience

I can guarantee that a large percentage of your existing clients are ready and willing to purchase DI — you just have to ask the right questions. Here's how:
Go through your files and make five lists:

1. Clients who purchased DI from you in the past
2. Clients who purchased DI from someone else in the past
3. Clients who have declined DI because they have an employer-provided plan
4. Clients who do not have DI
5. Clients who were previously uninsurable

Here's how to work through each list:

1. If a client already purchased DI from you, notify him or her that there have been tremendous changes in paycheck protection coverage and pricing over the past two years. Explain that it would be smart to review the old policy to determine if better options are now available to improve coverage provisions or rates. Get a copy of the existing policy and build a solid plan.
2. If a client purchased DI from someone else, ask him or her, "Do you have the old coverage or the new coverage?" This will spark interest and a confused reply. Then explain that if the policy was purchased more than two years ago, there's a very good chance that you can improve the provisions or rates based on recent tremendous changes in paycheck protection. Get a copy of the existing policy and explore the new possibilities.
3. If a client has employer-provided group disability insurance, say, "You are very fortunate to have an employer who thinks so highly of you. You should feel proud to be working for a company that cares about its employees so much. Your plan probably covers 60% of your income, right?" When the client agrees, say, "Well, let me ask you a question: Do you know when 60% does not equal 60%?" The client will ask, "When?" Then you'll say, "When it's an employer-provided plan. Employers deduct the cost of DI premiums from their taxes and because of that, your DI benefits are taxable. Therefore, instead of 60%, your net benefit amount will be 42%. Can you maintain your lifestyle on 42% of your income? If not, it's smart to consider a supplemental DI policy." Get details about the existing coverage so that you can offer a smart supplemental plan.
4. If a client doesn't have any disability insurance, contact him or her right away. Explain that as an insurance advisor, you would be remiss if you didn't suggest protection for the client's most important asset — the paycheck. At your appointment, build need, overcome price objections and close the sale, using the sales tools provided by your DI partner.
5. If a client was previously uninsurable, ask permission to take another look. In the past few years, underwriting standards have softened, prices have dropped and new products have entered the market. There's a good chance that a solution is now available.

Now you have several great ideas about how to approach your ready-to-buy audience. Will you unwrap this gift? If you do, you'll join the few who know how to move great ideas forward and execute. Those are the few who achieve top tier performance levels.

Gift #3: Buying signals

A price objection is a buying signal and an important indicator of interest. Price objections may not feel like much of a gift, but they truly are one if you know what they mean and you're prepared to overcome them. With the right training and sales script, you can easily learn the secrets of highly-successful DI brokers, such as:

- How to make prospects realize that DI is a steal of a deal.
- How to show your clients that DI is the most affordable insurance available.
- How to demonstrate that DI is the only insurance product that allows them to receive \$1.9 million in tax-free benefits for as little as \$6.71 a day!

And, just when you gain the confidence to overcome price objections with ease, you'll find that they no longer come up. That's because you'll have mastered the art of

smoothly and expertly eliminating them throughout the course of your sales presentation — before they ever arise.

Gift #4: Sustainable income

LIMRA International reports that the average persistency for term life insurance is 6.6 years. Comparably, the average persistency for disability insurance is 12.2 years — nearly twice as long! Can you see the gift? Here it is: When you sell a DI policy, you open the gift of highly-sustainable income. Most seasoned agents will tell you that they wished they started selling DI earlier in their careers, because they now realize that if they'd sold more DI back then, they'd be taking a lot more vacations now.

Here's another income argument to consider: You probably already know that as your clients' incomes and lifestyles increase, it's important that their DI benefits keep pace. Most DI policies include a future purchase option, which makes it easy to increase your clients' benefits and give yourself a raise in future years. But here's what you may not know: When your client exercises the future purchase option, you receive a full 50% commission in the first year of increased premium.

Go ahead and do the math. If 25% of your DI clients take advantage of the future purchase option each year, you've unwrapped an unbeatable income formula!

Gift #5: Timing

They say timing is everything, and I can assure you that there's never been a better time to sell DI than now. In fact, for a limited time, your clients can experience a triple-buying advantage. Here are three advantages to buying now. Use these arguments to create buying urgency with your clients:

- 1. Relaxed underwriting:* Securing coverage is easier than ever before. In fact, for the first time ever, many carriers are writing up to \$5,000 a month of coverage without medical exams, blood or urine samples, medical records or income documentation.
- 2. Transitioning economy:* Rates are low right now, but they won't stay that way forever. The \$787 billion economic stimulus package that the government passed in Feb. 2009 has helped expand our nation's money supply. Rather than spending money, most Americans are paying bills and saving money. In the next few years, we may see that our abundant money supply triggers an upswing in prices and inflation. Historically, when inflation goes up, insurance rates rise.
- 3. The age advantage:* The younger you are, the lower your rates. Therefore, it's smart to lock in a low rate while you're young. Once you purchase your policy, your rates can't go up regardless of your age or medical condition.

Will you open these five gifts?

These unopened gifts represent hope, satisfaction and untapped possibilities. Will you sit and look, or will you rip and tear? The choice is yours ... and the choice just might change your life.

Daniel C. Steenerson, CLU, ChFC, RHU, is the President of Disability Insurance Services, headquartered in San Diego. For more information about disability insurance, visit www.diservices.com.

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