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Education Is The Key To A Successful DI Enrollment

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Employment income is vital to an individual's quality of life, yet many put it at risk every day because they lack the disability insurance coverage necessary to protect it.

In fact, a 2007 CareerBuilder.com survey found that 4 out of 10 U.S. employees "always" or "often" live paycheck to paycheck—a precarious position that could have long-term financial repercussions.

The Council for Disability Awareness, Portland, Maine, has amassed a collection of similarly disturbing statistics, including the fact that, in a typical year, disability causes about half of U.S. mortgage foreclosures.

Clearly, public awareness of the need for disability insurance is low, despite the efforts of groups like the CDA to put it on an even footing with life and medical insurance. Consequently, the opportunity to educate and penetrate the first-time buyer market is high.

Voluntary disability insurance is a popular worksite benefit—one that will sell and lead the way to attracting first-time buyers. In fact, a well-executed enrollment of a group with no prior disability coverage can easily achieve 30% to 50% participation. Persuading employees to participate is not easy, however, and requires a thoughtful strategy, a supportive employer and proper communication.

Essential elements

The perceived cost of disability insurance is typically much higher than the actual cost. It is essential to institute a thoughtful, focused approach to marketing that conveys the idea that the cost of coverage is a small price to pay compared with the cost of losing an income stream due to disability.

A successful enrollment requires a captive audience. Participation levels are directly linked to access to employees, the expertise of the enrollment team, the quality of the enrollment program and the marketing methods deployed.

There are a number of other factors that can contribute to a successful enrollment.

First, there is the enroller. This person can hold a job title such as agent, broker, enroller or group sales representative. Regardless of the title, the enroller has to be articulate, informed and persuasive.

Second, the format for the enrollment meeting is very important and can take many forms. Today, presentations can be made face-to-face, in group meetings, or via the Web. Often these meetings are supported by call centers, direct mail campaigns or payroll stuffers. And, not surprisingly, technology offers a convenient and flexible way for employees to learn.

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Making a connection

One efficient way to reach employees is through a mandatory, employer-sponsored group meeting followed by one-on-one meetings to address individual needs.

If a disability benefit is presented as a serious and valuable one, employees will treat it as such. Allowing them to make the choice to attend the meeting is less effective, because often with that choice goes any opportunity to influence the buyer.

Face-to-face meetings engage employees and provide them with personal attention that can be very powerful for winning new business. These meetings provide an opportunity to customize the benefit to fit the needs of each individual.

The following methods can help the broker form a relationship with the first-time buyer, enhance the buyer's understanding of the need, and ultimately, sell the product.

--Ask questions of the employees, such as how they plan to make their mortgage payments or pay for critical necessities such as electricity, fuel, food and health care if they become disabled and do not have disability insurance.

--Speak the language of the consumer. Disability insurance may not be readily understood by the layperson. Communicating the importance of protecting consumers' income streams, in terms that are both easy to understand and put into relevant context, is critical to the education process.

--Educate the employee about the need for disability insurance by citing statistics and explaining the gaps in workers' compensation and Social Security coverage. Note that the largest gap affects non-occupational short-term disabilities.

--Personalize and customize marketing (both print and electronic materials) using employee census information to create relevant personal examples, based on parameters such as age and salary, to guide employees to the appropriate coverage level and cost.

In addition to providing the best educational tools to encourage employee participation, the employees' out-of-pocket cost to purchase the coverage must be a consideration.

Price affects any decision a consumer makes. It is no different for disability insurance.

Products that provide flexibility in the individual election of benefit amount—and cost of coverage—are highly effective.

Left uneducated, employees will not understand the value of disability insurance and will likely be unwilling to opt for more deductions from their paychecks if the cost is unappealing. It is a difficult case to make and demands that education be heavily integrated into the enrollment process.

Enrollment: Only the beginning

The key to long-term success for both the broker and the carrier is maintaining and growing participation after day one of the enrollment process. Close attention must continually be paid to service, persistency and re-enrollment activity. A reputation for quality service is essential to retain current participants and attract new ones as well.

There are two primary periods when disability insurance is offered:

- As part of the annual benefits election process: This can be a great way to gain access, but it comes at the cost of diluting the focus on disability. Brokers must be aware that they are approaching employees at a time when the employees are already parting with a portion of their income to pay for medical, dental and other benefits. Limiting the number of products being presented to employees during the annual benefits election process will enable the enrollment representative to focus on disability insurance as a key component of a comprehensive benefits package.
- "Off-anniversary" as a stand-alone product: This puts some distance between the core enrollment meeting and the "sticker shock" of other insurance product costs, particularly medical. It also allows for more time to be spent reviewing the disability insurance offering. If a stand-alone offering is not possible, consider making

disability insurance the lead product in the presentation.

Savvy brokers will use some combination of worksite marketing tools and formats to reach employees. They will realize, however, that there is more that must be done to secure new business and maintain and grow participation levels. Support from the employer is paramount—and it bears repeating that the employer first must be convinced of the value of this benefit.

Most important, taking any of the aforementioned steps without incorporating a solid platform of education will ultimately prove futile. The enrollment representative must be able to demonstrate the need for DI—in a way that is understandable and personally meaningful to an employee.



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