

5

5 Steps to *DI Success*



5 STEPS TO DI SUCCESS

In the following pages you will find ways to increase your revenue by helping your clients protect their most valuable asset, their INCOME.

Leading Edge Disability Center is a DI marketing organization licensed in all 50 states, helping agents promote and sell more DI through: training, providing sales ideas, marketing materials, niche DI products, as well as Business Overhead Expense, Key person DI, Loan Indemnification DI, and Retirement Protection Plans.

Our market consists of Business owners, the medical market, white collar workers, blue collar workers, as well as hard to place occupations and high net worth individuals. Contact us at any time for help with your Disability Insurance needs.



Leading Edge Disability Center

888-677-6575

Office@DisabilityCenter.com

www.DisabilityCenter.com

5 Steps to DI Success

Step 1: Understand DI Basics

Step 2: Create the Need

Step 3: Product Knowledge

Step 4: Get to the People

Step 5: Overcome Objections and Place the Business

Step 1: Understanding DI Basics

Council for Disability Awareness 2007 Disability Awareness Survey

- § **90%** of workers underestimate their chances of becoming disabled
- § **56%** don't realize disability is on the rise
- § **85%** express little concern about suffering a disability
- § **64%** of workers unaware of what happens to 401(k) contributions if income stops
- § **57%** never discussed how they would financially manage a disability

Council for Disability Awareness

www.disabilitycanhappen.org

Step 1: Understanding DI Basics



- Undersold product can help you **expand your client reach**
- **Strengthen your existing client relationships** with a much needed product
- **Increase your overall income** with DI sales and great renewals

Step 1: Understanding DI Basics

- Family situation
- Age
- Income
- Occupation
- Medical history
- Budget
- Estimate Personal Expense
- Self-employment
- Existing insurance coverage

- Use the DI Fact Finder to help you learn the client's situation.

Download here: www.DisabilityCenter.com/agents

The image shows a sample of a 'DISABILITY INSURANCE FACT FINDER' form. The form is titled 'DISABILITY INSURANCE FACT FINDER' and includes a 'Date' field. It is divided into two main sections: 'PERSONAL & FAMILY INFORMATION' and 'Spouse's Information'. Each section contains several fields for data entry, including Name, Home Address, Home Phone/Fax/E-Mail, Date & Place of Birth, Occupation & Dates, Employer's Name/How long?, Current DI (indicate if individual or group), Non-Tobacco/Tobacco User, and Medical History. The form is presented as a document with a slight shadow, suggesting it is a physical form being scanned or photographed.

Step 2: Create the Need

Risk of Long-Term Disability vs. other risks

Be sure your clients know the odds of becoming disabled compared to the odds of other types of losses such as a house fire, or a totaled car.

Asset	Odds of Loss
Vehicles Totaled	1 out of 20
House Burned	1 out of 100
Boat Totaled	1 out of 15
Disability	1 out of 3

Step 2: Create the Need

Show how income is the base of the client's lifestyle:

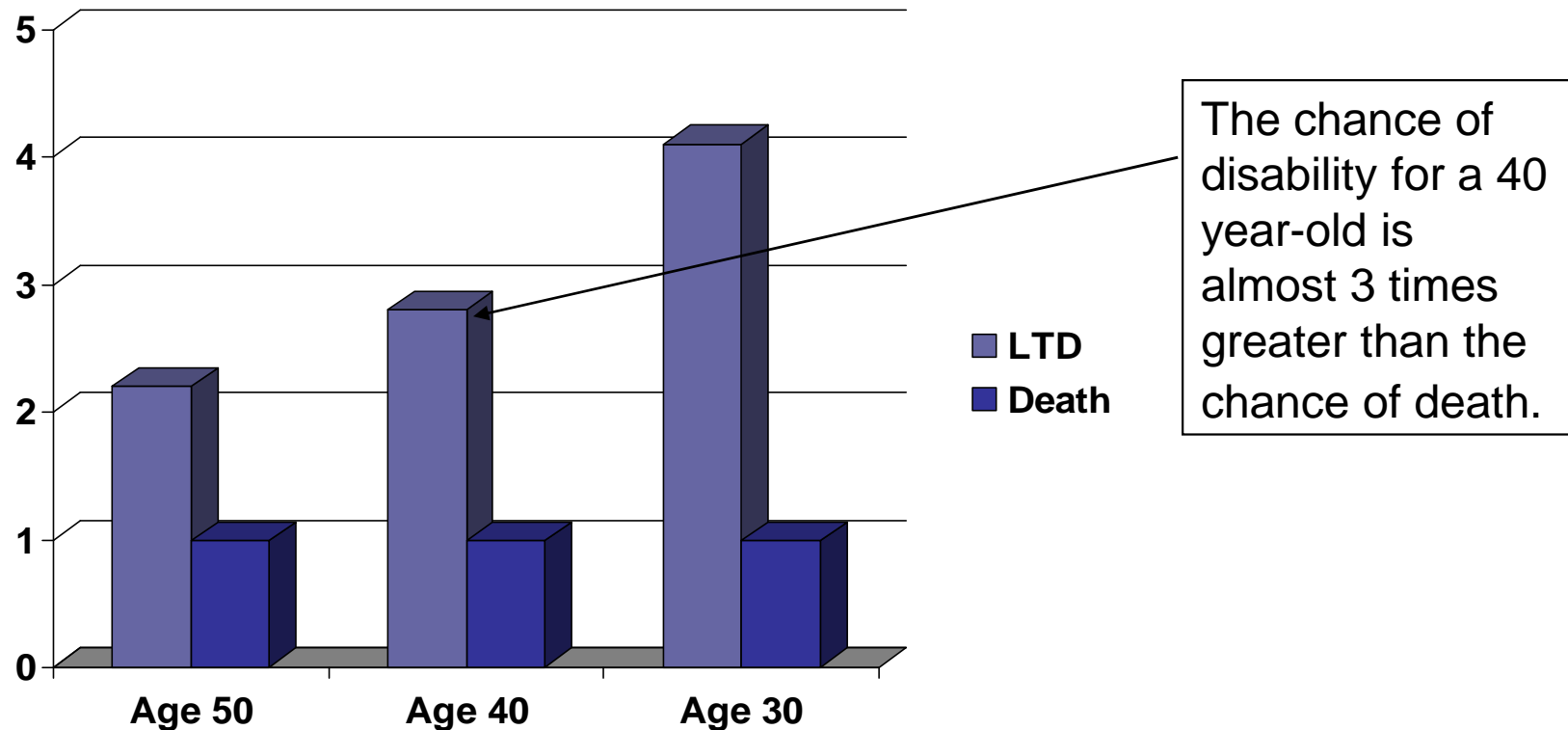
Everything Rests on Income



Act now to protect your
most valuable asset!

Step 2: Create the Need

Risk of Long-Term Disability vs. Death



Source: JHA Disability Fact Book

Step 2: Create the Need

Deaths due to the big four – hypertension, heart disease, cerebrovascular disease, diabetes – **have dropped by 32%.**

Disabilities due to these conditions **are now up by 55%.**

“What will be the source of income for you and loved ones if a disability results, instead of death?”

Step 2: Create the Need

How much is your paycheck really worth?

If you figured a 5% increase each year, a 35 year-old making \$50,000 a year will earn **\$3,322,000 by age 65.**

Isn't that worth protecting?

You can help your clients become aware of the need and take action!

Step 2: Create the Need



- How Long Can You Make It Without Your Paycheck
- How Would You Pay Your Monthly Expenses?
- How Far Does Your Paycheck Have To Go?

Step 3: DI Product Knowledge

- Disability Center's product experts will be available for any questions you or your clients may have;
- We will shop your cases with all DI carriers, so you don't have to be a DI guru, just know what number to call:

1-888-677-6575

Office@DisabilityCenter.com

Step 3: DI Product Knowledge

Basic product knowledge

- **Maximum issue:** up to \$20,000/month issue participation for over \$44,000/month of benefit available (Including Catastrophic Disability rider, Pension DI Protection)
- **Elimination periods:** 14, 30, 60, 90, 180 days or 1 year wait
- **Benefit periods:** 3, 6 months, 1, 2, 5, 10 year, to age 65, 67 or 70
- Typical Disability policy purchased and best value has 90 days waiting period, to age 67 benefit period – if available for your client's age and occupation class.
- Other related products to offer:
 - **Business Overhead Expense** – protection for your clients' businesses.
 - **Retirement Protection**
 - **Key-Person DI**
 - **Buy/Sell DI protection** – to fund the protection gap in Buy/Sell agreements

Step 3: DI Product Knowledge

What carrier, and when?

- ✓ **Not all DI products are the same, and different DI Carriers are focused on different target markets.**
- ✓ **Disability Center will advise you what carriers are the best fit for your clients' situation, income level, occupation and duties.**
- Blue Collar workers – **Assurity**, Mutual of Omaha, Illinois Mutual, Standard, MetLife
- Office work – **Union Central**, **Principal**, MetLife, Standard
- Medical Market – **Principal**, **Union Central**, Standard
- Chiropractors – **Standard**, **Mutual of Omaha**, Illinois Mutual
- Offshore, Tug Boat, etc – **Lloyds of London**, Mutual of Omaha
- Clients over age 60 – **Lloyds of London**

Step 3: DI Product Knowledge

- **Return of Premium DI is available**
 - Pre-Approach Letter “Surrender Value Rider”
 - Return of Premium DI
 - Form 9179
 - Do You Want Your Money Back?
 - Form E-199

Ask us for these valuable marketing materials



Do You Want Your MONEY BACK?

You get it back with **Return of Premium DI**. Illinois Mutual offers the hottest product in the industry that gives your money back. With the Surrender Value Rider (SVR), Illinois Mutual will return 100% of the premiums paid, less any benefits received, at age 65.

It's that simple - protection when you need it, money back if you don't! Adding the SVR to your individual DI policy gives you the winning solution!

In this example, the SVR adds only \$115.20 to the annual premium. That's only \$2.22 per week! Isn't it worth adding that small amount to receive ALL premiums - \$23,616 - back at age 65?

Age 25	Without Return of Premium	With Return of Premium	Only \$2.22 extra per week
Total Annual Premium	\$473.23	\$590.60	
Total Premiums Paid to Age 65	\$10,024	\$23,616	
If No Claim, Return of Premium at Age 65	\$0	\$23,616	

SWR, A Policy With Class 5, 5% 90 Day, Age 65 BP \$2,000 Monthly Benefit

Over \$40 million in premiums returned to clients who included the SVR on their DI policy!

Step 3: DI Product Knowledge

Return of Premium DI

	WITHOUT Return of Premium	WITH Return of Premium
Total Annual Premium	\$475.20	\$590.40
Total Premium Paid to Age 65	\$19,008	\$23,616
If No Claims, Return of Premium at 65	\$0	\$23,616

Just \$2.22/Wk
More!

6.85% ERR
need to
achieve same
result.

GR21, IL, male age 25, Class 5, NT, 60 Day, Age 65 BP,
\$2,000/monthly benefit, monthly premium mode

Step 3: DI Product Knowledge

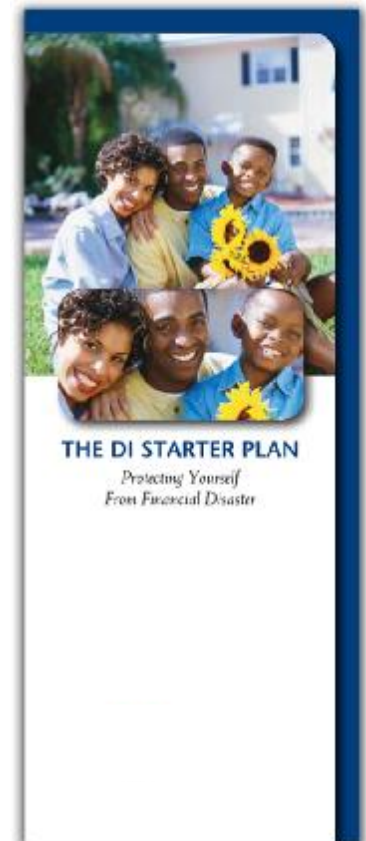
- **Direct access to our expert team:**
Office@DisabilityCenter.com
1-888-677-6575
- **Online quote requests, same day turnaround:**
www.DisabilityCenter.com
- **Case status updates – web, email, fax and phone**
- **We will shop your cases with all carriers, finding the best options for your client - so you can focus on what you do best – making the sale.**



Step 4: Get to the People

Where are these people and how do I find them?
It's simple - Prospects are everywhere

- **Those you already know**
 - Use the Pre-Approach Letter “Selling DI to an Existing Client”
 - DI Starter Plan Form 9185
- **Those you don't yet know**
 - Pre-Approach Letter “Selling DI”
 - What If your Last Payday Was Your **Last** Payday?



Step 4: Get to the People

- **Business Owners, Accountants, Lawyers and their employees** – individual DI and Business protection (BOE, Key-Person DI, Buy/Sell DI)
- **Medical Market** – doctors and medical personnel know they need to protect their income, they deal with illnesses every day and see what financial impact a disability can have.
- **Government Employees** - In addition to the maximum base benefit amount available, government employees can purchase an additional 40%, up to total benefit of \$3,000/month, with the Integrated Benefit Rider.
- **Farmers** - The Activities of Daily Living Rider (ADL) is available to farmers who qualify for coverage by acreage or herd size, allowing them to purchase more coverage for catastrophic disabilities.
- **Stay-at-Home Spouses** - Coverage for spouses when their wage-earning spouse has or is applying for coverage at the same time. Don't miss the opportunity to make another sale in the same household.

Step 4: Get to the People

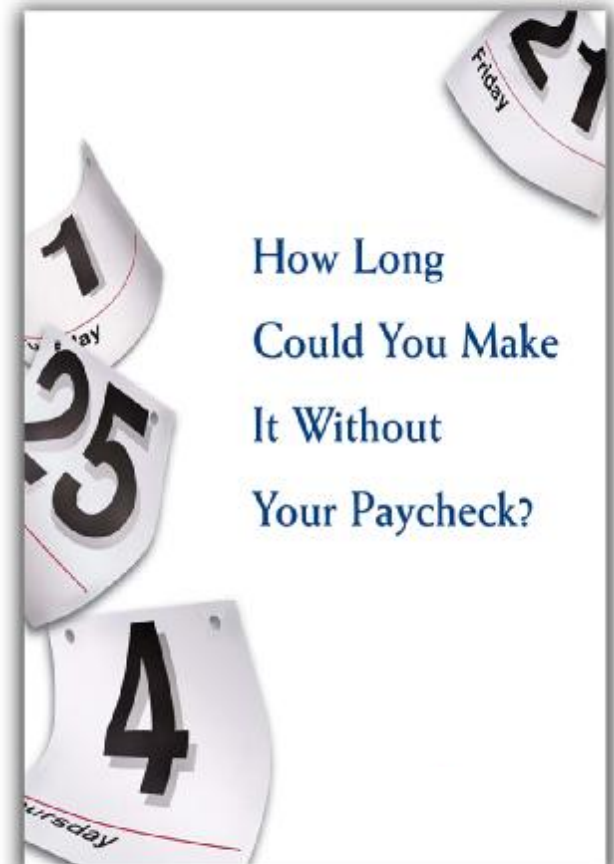
- E-mail (or mail) pre-approach letter to 50 clients/prospects

OR...

- Write down 3 people you now have in mind for DI and call them to set up a meeting to discuss

KEY MARKETING PIECE

- How Long Can you Make It Without Your Paycheck?
 - Form 9184



Step 4: Get to the People

Take advantage of Disability Center's Resources

- Personal Sales Support
- Sales Training; Free CE Credits
- [DI Awareness Month](#) – May is “DI Awareness Month”
- Marketing Materials
- Websites (we will build you a DI website or portal, at no cost to you)
- Agent Publications
- Agent Forum
- Sales Incentives

Step 5: Overcome Objections and Place the Business

Overcome Objections

- It costs too much!
- I won't use it!
- My family will take care of me!
- The government will take care of me!
- I have other financial means (savings, etc).
- I want to wait and think about it!

See how to overcome these objections easily, in next slides.

Step 5: Overcome Objections and Place the Business

Overcome Objections

- It Costs too much!

Ask your client what he/she spends on other personal insurance products. Document the numbers, and calculate the annual and daily costs of each type of protection.

Show the “cost per day” and “cost per \$1,000 of monthly benefit” chart and show “apples-to-apples” how disability insurance is much cheaper than their car or home insurance, while the covered value is much higher with DI.

Overcome Objections

- It Costs too much! - see example below:

Client: Valued Client Age: 30 Income: 45,000/yr

Years to retirement: 37 Total income before retirement: \$1,665,000

To show how much income protection costs in comparison with other assets' :

Asset	Value	Cost for insurance/yr	Cost per day
Cars	\$50,000	\$1,200	\$3.29
Home	\$300,000	\$1,000	\$2.74
Boat, Motorcycle	\$25,000	\$650	\$1.78
Total	<u>\$380,000</u>	<u>\$2,850</u>	<u>\$7.81</u>
Income	<u>\$1,665,000</u>	<u>\$656</u>	<u>\$1.80</u>

In our example, our 30 years old male has an office type job, no manual duties (white collar); Plan can cover up to 100% income, with Base DI, Residual and Catastrophic disability rider.

Comparing apples-to-apples the client will see that protecting over \$1.6 Million of income would only cost \$1,80 per day, while all his other assets cost \$7.81 per day to cover only \$380,000 of value. Client will understand affordability and the importance of protecting the ability to earn an income.

Step 5: Overcome Objections and Place the Business

Overcome Objections

- I won't use it!

Show an option with the “Return of Premium” – which can return the premium up to 100% at age 65 if benefits were not used.

Step 5: Overcome Objections and Place the Business

Overcome Objections

- My family will take care of me!

Ask your client to name three family members that will be willing to pay for his/her bills for a period longer than a couple months, in case the client can't bring in a paycheck due to illness.

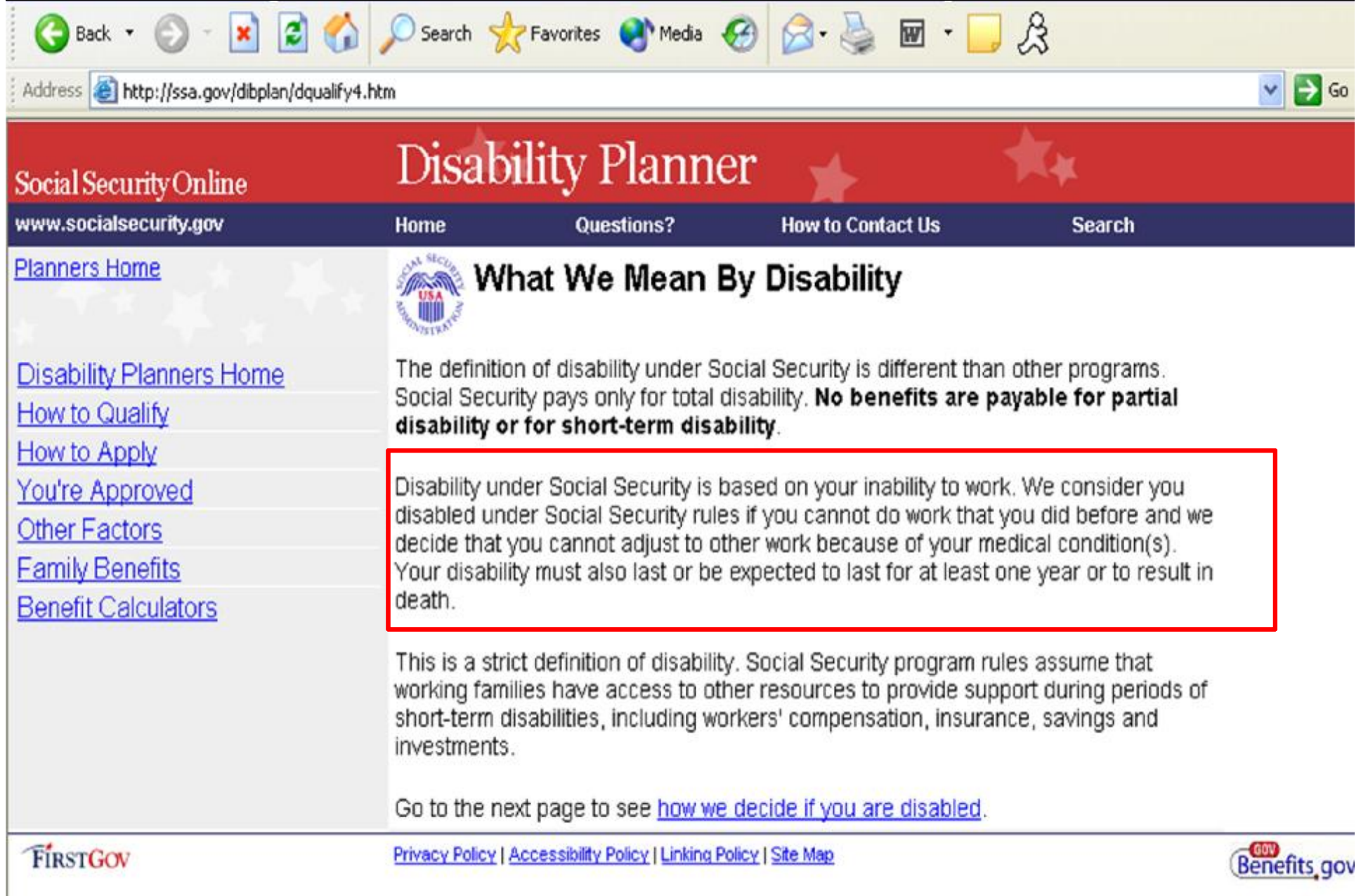
Step 5: Overcome Objections and Place the Business

Overcome Objections

- The government will take care of me!

In reality, Social Security denies over 75% of claims; Also, their definition of being “disabled” to qualify for benefits is: “disability must last or be expected to last for at least one year or result in death”

Step 5: Overcome Objections



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Address <http://ssa.gov/dibplan/dqualify4.htm> Go

Social Security Online **Disability Planner**

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[Family Benefits](#)

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 **What We Mean By Disability**

The definition of disability under Social Security is different than other programs. Social Security pays only for total disability. **No benefits are payable for partial disability or for short-term disability.**

Disability under Social Security is based on your inability to work. We consider you disabled under Social Security rules if you cannot do work that you did before and we decide that you cannot adjust to other work because of your medical condition(s). Your disability must also last or be expected to last for at least one year or to result in death.

This is a strict definition of disability. Social Security program rules assume that working families have access to other resources to provide support during periods of short-term disabilities, including workers' compensation, insurance, savings and investments.

Go to the next page to see [how we decide if you are disabled](#).

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Step 5: Overcome Objections and Place the Business

Overcome Objections

- I have other financial means (savings, selling assets, etc)

How would you replace your lost income?



t **Savings?**

One year of disability can wipe out 10 years of savings (if you saved 10% of your annual income for the past 10 years).



t **Borrow?**

What bank would lend you money if you were disabled and unemployed?



t **Selling assets?**

Could you maintain your standard of living without placing additional strain on you and your family?

Step 5: Overcome Objections and Place the Business

Overcome Objections

- I want to wait and think about it!

People usually don't get healthier as they grow older, and coverage will cost more.

Show the client the brochure “Reasons NOT to buy Disability Insurance”.
Download here: www.DisabilityCenter.com/agents

Also, have the client sign the “Waiver of Responsibility” showing that the client acknowledged the fact that you offered the Income protection plan, releasing you as an agent from any responsibility in case your client does become sick or hurt and can't work.

This usually makes clients realize the importance and liability they expose themselves to, by not protecting their income.

Step 5: Overcome Objections and Place the Business

Place the Business!



- **Check that key concerns** have been covered.
- **Summarize** the Benefits.
- Propose a **realistic commitment**.
 - Review a customized DI proposal.
 - Take an application for coverage.

5 STEPS TO DI SUCCESS



We're here to help!

Request a quote here: www.DisabilityCenter.com

Call us today about our EXCLUSIVE DISCOUNTS (up to 30% off) to help you gain competitive advantage in your marketplace.

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www.DisabilityCenter.com

888-677-6575

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