



## What Does It Take To Sell Disability Income Insurance?

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Larry Schneider specializes in disability income sales. One of his companies, Disability Insurance Marketing Center, works with hard-to-place disability cases and has designed turnkey marketing systems for this market. His other company, Disability Insurance Planning Service, provides conventional insurance products and services. Mr. Schneider conducts disability sales and training seminars and has written many articles on disability income insurance.

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**T**he common denominator among successful people, no matter what the product or service, is doing the things that failures don't do. This explains why many people who appear to have natural talent fail, while others with obvious handicaps succeed. I have learned in my 20 years of selling disability insurance that I do my best when I stay with the habits I used when I started. These techniques may help serve as a guide to other agents.

It's no secret that people don't want to be sold anything. What prospects really want is to be in the position where they are buying. Before people buy, they need enough reason to justify the purchase.

What does it take to have someone make the purchase? It takes a variety of tools. More tools may be required to sell disability income insurance than other life or health products because there are more language considerations in a disability insurance contract than in a life or annuity policy. Life, annuity, and health policies basically are justified or based on absolute values and premium rather than the "what if" language of disability insurance contracts. Product knowledge is a necessary selling tool.

When I sell, I can continue a presentation even if the prospect doesn't have his policy at hand, even though I requested it for the review. I either know the competition by heart or have enough reference material at hand to be able to point out the differences, the advantages and disadvantages. This is especially important in a competitive situation or if the pros-

pect is considering replacing an older policy with a superior new product that has more liberal wording and state-of-the-art benefits.

The agent should know his own carrier's policy backwards and forwards. Knowledge doesn't stop with the product. The agent also should be conversant with statistics and other pertinent information to support his sales cycle. Many carriers provide charts and graphs for the agent to use in his presentation.

What good is knowledge if no one learns how knowledgeable the agent is? Prospecting is an important part of the sales cycle.

To be effective, the agent must include the following components in the sales cycle:

- Attitude;
- Knowledge;
- Prospecting techniques;
- Presentation skills;
- Rebuttal skills;
- Closing skills;
- Application and paperwork completion; and
- Delivery and referrals.

Let's look at each component.

**Attitude:** It's been said that image is everything. That is only partially correct. While image isn't everything, it certainly helps for the agent to have a positive attitude and the ability to present himself professionally.

Good grooming is part of professionalism. It is important to have manicured fingernails and a freshly pressed suit. It makes a good impression to look the prospect in the eye and speak with confidence.

**Knowledge:** As I wrote above, not only should the agent know his own product inside out, he also should be prepared to quote contractual differences between his own policy and policies offered by the competition. As an independent agent, I usually

present three carriers to a prospect, showing the prospect that I'm not tied to one company. This enhances my credibility.

The prospect's occupation dictates which carriers I present, because different carriers may have different contracts for each occupational class, each with different wording. I easily can point out the major differences among 15 to 20 carriers. As in life insurance, there are different policies, each doing a different job.

Some kinds of disability insurance products, each designed for a specific purpose, are:

- Income replacement—individual loss of income; own occupation; group/association.

- Key person.
- Buy-sell.
- Business overhead.

**Prospecting techniques:** Six prospecting systems that can be employed together or individually are: (1) cold calling; (2) direct mail; (3) telemarketing; (4) direct mail and telemarketing; (5) seminars; and best of all, (6) referrals.

I prefer cold calling and seminars over the others (except referrals) because it is too easy for a prospect to

disregard the agent's mail or telephone attempt. On the other hand, some of the others can save a lot of wear and tear and enable the agent to make more contacts in a shorter time. The agent should try some of each to see with what methods he is most comfortable.

This phase of the sales cycle may be the most important of all because the agent can't use his other skills unless he can get in front of the prospect. Even if the agent's closing skills are only fair, he still will close a few. Prospecting for disability clients is a little different than for life and health, in that the agent is selling a promise to deliver on a future event that may not occur, whereas everyone eventually collects on life insurance. Therefore, when prospecting, the agent should concentrate on selling the need emotionally rather than the logic or the dollar values of the contract.

**Presentation skills:** What's wrong with a canned presentation? Why reinvent the wheel each time? Actors in a successful Broadway play say the same thing word for word daily, twice on weekends, for weeks or even months (and are paid handsomely for their efforts). There is nothing wrong with using a sales presentation flip chart. After all, a picture is worth a thousand words.

**Rebuttal skills:** Let's suppose the agent has gotten in front of a prospect and explained the product but hasn't yet sold to him or her. As I pointed out earlier, no one wants to be sold, he or she wants to buy. Let's hope this agent is skillful enough to elicit the prospect's objections, because otherwise the agent has no way to continue.

When the agent hears an objection, does he put his head down and run? The agent should have good rebuttals for anything the prospect can throw at him. Typical objections to disability coverage are, "I can invest my own money," "I have a good income and money in the bank to take care of me if I become disabled," "I've never been sick or hurt in my life," and, "I can't afford it."

As an example, let's look at the objection that the prospect never has been sick or hurt. The agent might respond, "My company pays hundreds of claims each month to people like you who were in perfect health when they applied for the plan. Many of them never had been ill before, but fortunately they had the plan in place

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before disability struck to pay for the necessities of life for their family. Let's see if you can qualify before your health changes. Remember, we're not getting any younger."

**Closing skills:** This is the fun part. So far, it's been like baking a cake, using the right ingredients, proportions, blending, and timing. Will it come out of the oven just right? It may be that the agent will overcome the prospect's objections, get the prospect's agreement that he needs the coverage, complete the application, and ask for the check. Then the

prospect might say, "Yes, I agreed I want it, but not right now."

It's another objection, another close. But is that enough? At this point, the agent must make the prospect feel the need. How can the agent do this? The agent can be prepared with a few good third-person stories that describe someone else's disability and need for coverage.

**Application and paperwork completion:** Suppose the agent finally got the application from the prospect and gave the healthy applicant a binder. (Binders may be issued only to appli-

cants without health conditions.) The next battle may be harder—that is, getting the agent's company to issue the policy as applied for, with no ratings or exclusions.

Unlike life insurance, where the underwriter needs to look at only life-threatening conditions, a disability underwriter must look at the whole body to consider which part (bad back, carpal tunnel syndrome, ear ache, and so on) will cause a claim down the road. The agent should be prepared to have his application come back with a rating, an exclusion, or a declination. These occur much more frequently with disability than with life insurance.

The agent should not minimize the need to fill out the application completely and accurately. It can make all the difference to an underwriter in terms of an issue or a declination. The underwriter needs reasons on a questionable application that only the agent can supply to help him produce a favorable disposition.

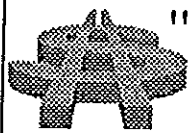
I recommend the agent send a cover letter if the case includes an emotional or psychological problem. Most companies will decline the application with this medical history, especially if the prospect currently is in therapy. The agent might get a copy of the person's medical records and submit the case on a trial basis.

When the medical history shows a problem or condition, the agent might negotiate with the underwriter for a rating, an exclusion, a shorter benefit period, or a longer elimination period.

**Delivery and referrals:** Finally, the policy is issued. If it has a rider or exclusion, the agent may have to resell the benefits and the need to the prospect. By this time, it has been six to eight weeks since the application was completed, and the prospect probably has forgotten some of what was said. The agent can point out that even if a certain condition was excluded from coverage, at least the other potential sources for disability will be covered in full.

At this point, I might pull out a picture of a human figure and place a small dot on the excluded area. I would point out that the exclusion is insignificant compared to the remainder that will be covered. This also is a good time to ask for more referrals.

**Conclusion:** It isn't easy to sell disability. The agent may have to pull out all the stops to clinch that elusive sale.



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