

The Advisor's Edge

Sales Strategies You Can Use

PRESIDENT'S MESSAGE



Work Smarter

Ken Shapiro
President

No one needs to tell you that selling life insurance takes work, often a lot of it. But, working smarter makes it easier and more rewarding. Here are thoughts on how to go about it:

1. Determine your value to clients

This is another way of having a clear picture of what prospects expect when they do business with you. They want someone who is patient, credible, knowledgeable, responsive, and helpful. In other words, they want someone they can trust.

2. Focus on successful prospects

Case size doesn't equate with the time involved in making a sale. A low revenue one may take the same amount of time as a large one. If you're not satisfied with the revenue from your last few cases, you may want to invest your time with the right type of clients.

For example, some of your time may be better spent developing connections rather than looking for leads, focusing more on permanent life products, or helping business owners assure their continued success by retaining valued personnel with a company-paid life insurance program.



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LIFE INSURANCE SALES

Getting In The Foreign National Market



Jeff Watkins
Brokerage Manager

Advisor interest in the Foreign National space is on the upswing. This is good news since it's arguably the most lucrative market in the life insurance industry. It's also good news that more U.S. life carriers are comfortable with Foreign National business and are actually welcoming it.

But, that's just one part of the story. Getting into it isn't easy. To put it bluntly, it's challenging. No one is waiting to email you a list of motivated prospects, and don't expect phone calls from people who are ready to sign an app. If this seems discouraging, it can be, since doing business in the Foreign National market is no slam-dunk. It takes time and work.



But don't dismiss the opportunity. Done right it's very worthwhile. Here's what you need to know to successfully penetrate the Foreign National market:

1. Possess the right life insurance sales experience

The Foreign National market is not the place to earn your stripes in life sales. However, if you have built a stable practice over the years so new business comes through the door, you may have the right profile to pursue this market as a way to grow your business.

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Internal Sales Corner

Recruiting and Retaining Key Talent

Today's record-breaking low unemployment has turned the recruiting and retaining of talented executives into a highly competitive market. Business owners and managers are taking a serious look at their executive benefits programs

to ensure they offer packages that will attract and retain key talent.

Many business owners fail to recognize that their company's market value is directly correlated to the future revenue generating capacity of their key personnel, and that this growth should be protected. Retaining those executives contributing the most value to the company should be an imperative. Otherwise, the loss of someone who is key could cause a company's value to drop from one day to the next.

From a planning perspective, companies typically protect themselves from the loss of critical key executives by placing term

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President's Message

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3. Make appointments meaningful

When arranging an appointment with a prospect or client, establish its importance so they will take it seriously and not view it as "one more thing" they're going to do. If they don't sense value, they may cancel or not take the meeting seriously. A few well-chosen words from you can be helpful. For example: This can be a starting point in reaching your goal, having a more secure retirement, or protecting your business.

4. Establish trust

Even the best products don't sell themselves. Unless prospects are comfortable with you, they will be reluctant to do anything other than listen to your presentation. This is why a consultative approach is more effective:

- Let prospects know that your job is to help them make the right buying decision.
- Avoid life insurance terminology. It turns people off and makes them feel inadequate.
- Picture what this investment can mean for them.
- Remind them if something isn't clear, you want them to ask you about it.
- Reassure prospects that you'll always be there for them.

5. Give them choices

Clients want to make the right decision. However, they also want to participate in the decision-making process. This is why they are best served when they have choices, preferably three. Let them discuss and evaluate the options until they are comfortable with one.

Yes, working smarter takes work. But the effort can be rewarding for you and your clients.

Serving Advisors

What We Do and Why



Dean Parsons
New Business
Supervisor

Making it easy for advisors to work with First American is the goal of the entire First American team. This is why all of our daily internal meetings start with a team member leading a brief discussion on one of 30 Fundamentals that drive our efforts. Each one reminds us that making it easy to do business with us is why we're here. The Fundamentals cover every facet of working with advisors. Here are three examples:

1. Own the problem

Take personal responsibility for making things happen. Start with "Yes." Respond to every situation by looking for how we can do it, rather than explaining why it can't be done. Be resourceful and show initiative. Present viable alternatives. Don't make excuses or wait for others to solve the problem. Be persistent.

When two clients discovered their life policies had lapsed, they turned to an advisor who works with First American for help in getting them reinstated. Even though we had not written their policies, we contacted their carrier, explained their situation, submitted the agent change forms, and asked to have the policies reinstated. One carrier expedited the process in two business days and the other within four.

Even though these weren't our cases, it was our agent, and by being persistent and owning the problem, the results were positive for the clients, as well as the advisor.

2. Work with a sense of urgency

Work as quickly as possible, without sacrificing quality. Don't put off till tomorrow what can be completed today. Get your work done.

An agent reported that a policy had lapsed due to the carrier's oversight. Working with the agent, we gathered the relevant information, called the carrier, and explained the situation. Together, we found a way for the policy to be placed back inforce.

By working with a sense of urgency and not putting off the request until the next day, the client and advisor were grateful for our efforts.

3. Do the right thing

Demonstrate an unwavering commitment to do the right thing in every action you take and in every decision you make, even when no one is looking. Always tell the truth. If you make a mistake, own up to it, apologize, and make it right. Be impeccable about your word.

A team member, who does not normally handle policyowner service inquiries, received a call from an advisor regarding a Collateral Assignment request. The advisor wanted an inforce policy assigned to the insured instead of his trust, along with legal proof that the policy was assigned as written.

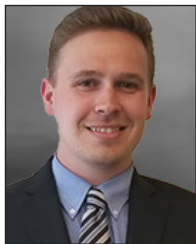
A substantial amount of legal terminology needed to be handled correctly. Even though our team member was not familiar with legal language, he took copious notes and forwarded the information to the carrier's assignment department verbatim.

Then, the insured's lawyer continued to contact our team member with questions and requests regarding the details of the assignment, which were communicated accurately to the carrier. It turned into a month-long process, but our team member did the right thing by taking time to assist the lawyer in getting the job done.

Individually and taken together, the 30 Fundamentals form our core understanding of who we are and what we do at First American: making it easy for you to do business with us.



5 Reasons Why Advisors Need to be Talking About DI



Derek Wakefield
Internal Sales | LTC & DI

One of the most important conversations advisors can have with their clients is about individual disability income insurance. It helps protect their income, or their business, if they become too sick or injured to work.

1. Savings, retirement planning, personal investments, and business ownership can all be at risk if income stops.

Monthly expenses and bills go unpaid if a client cannot work.

Clients need their most valuable accomplishment (their income) protected first.

2. The market opportunity is huge:

Almost everyone who works needs income protection.

That makes almost any employed person a likely candidate for disability insurance, particularly those who:

- Are age 30-55
- Earn at least \$40,000 per year
- Work at least 20 hours per week

- Work in occupations with limited manual duties

3. Clients that already have coverage may not have enough:

Since candidates for DI are employed, some may have group DI through work. However, group plans generally cover only about 60% of income before taxes. By supplementing this coverage with an individual disability income policy, clients can protect even more of their income.

By adding individual DI coverage, clients will not have to cut back expenses that come with their lifestyle due to disability.

4. Available business solutions:

Disability insurance is not limited to individual coverage. There are many corporate marketplace solutions out there, including:

- Overhead Expense: Reimburses an owner for business expenses during a disability
- Key Person Replacement: Provides benefits to a business if a key employee becomes disabled



- Disability Buy Out: Funds a buy-sell agreement to buy out a disabled owner
- Employee Benefits: Helps employers offer income protection to employees on an employer-paid or voluntary basis

5. Income protection is now fast and easy:

It is important to make the most of your time and your client's time. Processing and underwriting are now streamlined with many carriers:

- E-app: Applications can be submitted online and signed electronically
- Simplified Underwriting: The medical review process is now fast and easy with no exams or labs required (subject to certain age and benefit requirements)
- E-policies: Many carriers now allow policies to be delivered via email

Want to know more? We can help.
Email me at dwakefield@faiu.com



Sales Strategy Recruiting and Retaining Key Talent

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life insurance coverage on them. This gives them the means to weather challenging times ahead until a replacement is found. It's also a top reason why companies purchase life insurance today.

While Key Person term life insurance protects businesses against the temporary impact of the loss of key personnel, it's essentially a defensive strategy. It doesn't address the need to incentivize essential executives to stay with the company and protect its value. This requires a strategy that helps preserve the future growth and value of the company so that it can go on the offensive.

One approach is employing Key Person whole life insurance as a powerful benefit for enhancing a company's executive benefits program. Here are the reasons:

- It allows a business to offer executives, who are maxed out on their 401k contributions, the ability to supplement their retirement income.
- If structured properly, the insurance premiums can be tax deductible to the business,

grow tax deferred to the executive and provide non-taxable retirement income.

- It can be offered to only a select group of executives.
- It permits the company to customize the terms under which the benefit is paid out to the executive in a way that aligns with the company's goals.
- Unlike stock options, Key Person whole life insurance allows a business to offer significant value to the executive without transferring ownership of the company, which may not be desirable.

Such a program not only rewards key executives, who contribute to their company's growth, it also helps assure their employer of continuing success.

Getting in the Foreign National Market

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2. Have the right vision

When you entered life insurance sales, you may not have thought about the need to take the long view to be successful. But, you figured it out quickly and lead generation became your number one priority. Qualified leads weren't falling in your lap; you had to get out and network, talking to as many people as possible. Over time, the engine picked up speed.

The task is the same if you want to reap the benefits of working in the Foreign National segment. It takes investing, time and effort to make it work. If you are willing to make the commitment, you will gain the rewards of this unusual opportunity.

3. Make the right connections

While estimates vary, the number of Foreign Nationals who either live in the U.S. or spend time here is about 12 million, a huge community to say the least. They do business here, many own U.S. real estate, and all have relationships in their country of origin.

Even though some know about U.S.-based life insurance, most are not familiar with its benefits or how to access it. If you were in a similar situation in another part of the world, you could understand how they feel.

If you want to work in the Foreign National market, your task is generating your own leads. And that means talking to everyone you can. Accountants, lawyers, real estate people, consultants and others may have clients who could be prospects—or who could refer you to someone who does. In other words, it's all about building your referral network.

4. Implement the right marketing process

As successful advisors know so well, things take time—and penetrating the Foreign National market is one of them. While diligence in making contacts is the first step, consistent follow up to stay in front of them makes the difference. Here's what it takes:

- Create a Foreign National database of your contacts that includes background information and update regularly.
- Keep your contacts involved with brief

eBulletins. Share your knowledge, sales ideas and the latest news in the Foreign National segment.

- Be the go-to person by positioning yourself as a resource they can count on.

The goal is to show your contacts you're serious about Foreign National business. Remember, if you don't stay in touch with them, you'll lose sales.

While nothing happens overnight, persistence pays off. The life agent has done six figure premiums that surpassed his typical annual income.

Not every advisor is in a position to pursue Foreign National business. But for those who are willing to meet the challenges, the rewards can be gratifying.



FAIU Employees Dish It Up at the 37th Annual Jimmy Fund Scooper Bowl

In continuing with our community outreach program, our employees volunteered at the 37th Annual Jimmy Fund Scooper Bowl event on Boston's City Hall Plaza. This all-you-can-eat ice cream event benefits cancer research and treatment at the Dana-Farber Cancer Institute.

Annuity Strategy Countering Market Risk and Volatility for Retirees



Paul Heffernan
Annuity Wholesaler

Unfortunately, the last few months have not been good for interest rates on fixed annuities and other fixed investments.

Even though rates have fallen and may not be as attractive as they were in the recent past, the best thing to do is focus on the other incredible benefits that annuities provide:

- Safety & Security
- Protection
- Guaranteed lifetime income
- Peace of mind

Many people are now becoming extremely concerned about the stock market and its volatility. Maybe it's time to have the discus-

sion with clients about shifting some assets from equities into guaranteed investments, especially those clients who are getting close to retirement.

If a high proportion of negative returns occur in the early years of retirement, they will have a lasting negative effect and reduce the amount of income retirees can withdraw over their lifetime. This is called the sequence of returns risk.

If clients have significant losses over the next couple of years before planned retirement they may have to extend their retirement date or receive significantly less income than what they expected upon retirement. By protecting these accumulated assets, they will ensure a smooth transition into the retirement years.

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