



It's About Your Business

A newsletter for life agents & financial advisors
specializing in coaching growth-oriented producers



Positioning your practice for growth

Kenneth A. Shapiro
President

While it's fun to sit around and talk about investments, why is it that these conversations rarely include life insurance? For one thing, people like to talk about what they know and that doesn't include life insurance.

If you're interested in positioning your practice for growth, here are five ways to go about it:

- 1 **Pull, don't push.** The big job is to motivate people to want to do business with you. And the way to do it is by demonstrating that they can count on you to help them create a secure financial future. That includes educating them about the new, innovative, and flexible life policies and the ways they can fit into a financial plan.
- 2 **Think Millennials.** Don't ignore this group, just because some of the 79 million are underemployed and bogged down in college debt. Others in this age group are well into their thirties and moving up in their career. They understand personal responsibility, and recognize the value of working with advisors.
- 3 **Stay in touch with clients.** No one likes to feel forgotten. The best way to show you care is with an Annual Policy Review. You can uncover valuable information that will let you respond with suggestions for advancing a client's financial plan and reinforce the

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Game Changing Behaviors of Successful Life Insurance Agents

Gregory E. Schwabe, FLMI | National Marketing Director

While most advisors like people, want to be helpful, respond to problems and requests, and have a good work ethic, there are exceptional agents who push the bar higher, some much higher.

Experience suggests that top tier life insurance producers exhibit four game changing behaviors that separate them from their peers.

- 1 **Self-discipline.** Not easily distracted, they're methodical in the way they approach their work. They don't depend on their memory as when to contact current and prospective clients. They take advantage of tracking systems to analyze productivity and monitor day-to-day activities.

Much of their success comes from their persistence. They follow up and they provide better service, while uncovering sales opportunities by systematically keeping in touch with clients and prospects.

- 2 **Interest in learning.** Gaining new knowledge of the products they offer is a trait of the best agents. Today's insurance policies are complicated and top agents make an effort to know them inside-and-out, so they can summarize the finer points and discuss them with complete confidence. Coupled with an understanding of a client's business or personal needs and budget, they're positioned to offer the right kind of insurance protection and coverage. They answer their clients' questions before they can even ask them.

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Electronic platforms put big dent in paperwork

Tony O'Kussick, CLU | Director of Operations

As long as I can remember, advisors have complained about

paperwork. Who can disagree? It's the worst part of life insurance selling.

First American gets the message. Recognizing that transacting business electronically is the answer, we didn't jump into an electronic platform until we were confident that it was right for our advisors, our company, and our carriers.

Having completed our due diligence, we're up and running with eApplications and

eDelivery. Both have significant benefits for advisors. Here are some of them:

SPEED

- More time for an advisor to prospect, conduct policy reviews, and engage in other revenue generating tasks, rather than do paperwork
- Less time for consumers to "second guess" the buying decision
- Greater confidence in their advisor when process moves quickly

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This also involves knowledge of the factors that determine a client's eligibility and ultimately will impact the prospect's final decision. For example, an advisor who sells long-term care insurance must pre-qualify clients through comprehensive knowledge of Medicare, healthcare laws, and field underwriting.

Additionally, premier advisors have a good working understanding of tax laws and financial planning so they can direct qualified clients toward policies that best serve them financially.

Lastly, successful life insurance agents recognize the immense value of serving as a trusted resource for clients. They've broadened their knowledge base so they can discuss with confidence questions about such related coverages as long-term care, critical illness, and disability income.

- 3 **Competence.** Successful agents are deeply committed to what they're doing,

and clients perceive them as true professionals. They like helping others prepare for the unexpected, believe in what they are selling, and see their mission as making a difference in their clients' lives.

One of their skills is in fostering a sense of trust so clients are comfortable divulging pertinent and often highly personal information. That takes advisors who are both competent and passionate about their work.

- 4 **Service motivation.** While this is the last characteristic of the successful life insurance agent, it is also the most important. Unfortunately, both for their clients and their practice, far too many advisors are so totally focused on their sales role that they lose contact with their customers.

When this happens, the client relationship transfers to the insurance company—or to other advisors. When

this happens all the work and effort in building a relationship with a customer is lost. And so are the future opportunities for additional business and referrals.

Agents who stay in touch with their clients are making it clear that they not only value professional relationships but also want to maintain them. This helps overcome one of the major complaints of those who buy life insurance policies that there is no one around to answer their questions. Staying in contact lets them know that the agent really cares.

While most advisors have traits and skills that will help them experience success in the financial services business, sustaining a level of excellence requires more than competency. There's nothing complicated or overwhelming with this four-point, game changing formula. Successful agents put them into practice every day.

- Receive a commission faster (and earning the commission because of increased faith in advisor)

ACCURACY

- Reduce delays by having mistakes caught and corrected instantly
- No more going back to clients for paperwork corrections, i.e., signatures, dates, forms, etc.
- With eDelivery you can usually see forms or information ahead of time

RECORDS

- No more time-consuming scanning since records are stored electronically
- Fewer lost forms
- Increased security to help prevent identify theft
- The information is always at your fingertips wherever you are, i.e., smartphone, tablet, laptop or desktop
- Reduce filing storage issues and problems

SPECIFIC BENEFITS

• eDelivery

- ✓ Most of the benefits listed above
- ✓ Ability to have policies paid the same day
- ✓ Make corrections much faster, generally the same day
- ✓ Eliminates mailing preparation, costs, and delays
- ✓ Can make paper copies if needed

• eApplications

- ✓ Go from a quote to an application quickly
- ✓ Many carriers provide a rating tool
- ✓ Get to multiple carriers in one place

If you want to put a big dent in paperwork business easier, faster, and more accurately, eDelivery and eApplications can help make it happen.

Getting started selling life insurance: Ask the right questions

Are you prepared to ask certain questions during client interviews? Start by asking the Who, What, Where, When, and Why questions — questions that make the clients think before answering.

Don't be tempted to guess your client's answers. Remember, you need accurate information to do your job properly. Here are examples of questions to get the conversation started:

Life insurance questions

- What does financial security and financial freedom mean to you?
- Most people do not seem to understand life insurance. What can you tell me about life insurance?
- How did you determine how much life insurance to buy?
- What prompted your most recent purchase of life insurance?
- How did you choose the company that you purchased life insurance from?
- What are your thoughts regarding the many types of life insurance?
- How do you feel about life insurance on your spouse and children?

Questions about financial focus/business owners

- What are your plans regarding retirement? What are you doing to accomplish your plans?
- How much time do you spend selecting and managing your investments?
- Who will own or control your business when you retire or die? Do you have a set plan?
- Do you want your spouse to have control after your death?

CASE STUDY

Individual annuity case study

Immediate Medicaid Qualification

Situation: Jennifer, age 78, and Greg, age 80, have \$426,500 in countable assets. Jennifer is in a nursing home.

Option 1: Spend down to \$2,000, by privately paying for Jennifer's care at a cost of \$6,000 a month, depleting their assets at a minimum of \$72,000 a year for her care. In just over 71 months, their assets will be gone.

Option 2: Convert their assets in an Omnibus Budget Reconciliation Act of 1993 (OBRA '93) Medicaid-compliant annuity. This will result in Jennifer's immediate eligibility for Medicaid in order to pay for long-term care, while providing Greg with sufficient income and resources to maintain his lifestyle.

HOW IT WORKS

TOTAL COUNTABLE ASSETS.....	\$426,500
LESS AMOUNT GREG IS ALLOWED TO KEEP	\$115,920
BALANCE TO PURCHASE ANNUITY	\$310,580

Federal law allows for a division of assets at the time either spouse enters a nursing home

Results: Using \$310,580 to purchase an OBRA '93 Medicaid-compliant immediate annuity in Greg's name produces a total of \$4,320 of monthly income for six years, and Jennifer is allowed to immediately qualify for Medicaid to pay for nursing home care.

For information and assistance, contact FAIU's annuity wholesaler Paul Heffernan at 781.449.6800.

Positioning your practice for growth
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value of their life insurance program. It's also a good time to ask for referrals.

- 4 **Make buying easy.** As surveys show, many people want life insurance but are put off by the negative picture of what they must go through to get it. Show them that the hurdles are gone and they can have a policy in hand in a matter of days.
- 5 **Develop a niche.** Today's consumers want to work with specialists, whether it's medical care, legal advice, or life insurance. That takes developing a niche, so you become known as the go-to advisor for a particular age group, life insurance product, type of business, or profession.

All this can help you demonstrate your value as a competent and reliable advisor, one that can be trusted to make a positive difference in your client's lives.

If you're serious about positioning your practice for growth, First American is ready to answer your questions and help you move forward. We're ready if you are.

Visit us at www.faiu.com.

LIFE INSURANCE CASE STUDY

It's all in knowing the right carrier

- 40-year-old male applying for \$1 Million, 20-year term at Preferred Non-Smoker rates
- Labs came back positive for THC
- Carrier requested a drug questionnaire and marijuana use was not admitted
- Carrier declined the case
- Case went to a 2nd carrier with 1st carrier's lab slip
- 2nd carrier approved Preferred Non-Smoker rates, even when client uses marijuana 3-4 times per week

WE'LL HELP YOU GET THERE!
**FIRST AMERICAN'S
INCENTIVE TRIP**

THE SANCTUARY AT KIAWAH ISLAND
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» APRIL 23-26, 2017 «

We want you to go with us on this fabulous and luxurious trip. All you need to do is call and say, "I want to go" and we'll help you get there. Contact your Brokerage Manager at 781.449.6800

Answers to advisor questions

Q "Once the carrier has received all the underwriting requirements on a case, how long does it take to obtain an underwriting decision?"

A. With most carriers, you can expect a decision in 3-5 business days.

Q "How can I assure my clients that the companies I am recommending are highly rated and demonstrate financial strength?"

A. It's FAIU's standard practice to provide producers with comparisons of selected companies, along with rating reports from all the well-known rating organizations.

LIFE SALES OPPORTUNITIES – Did you know?

- 1 A few carriers allow individual term conversions to 2nd-to-Die products, should both insureds have convertible term plans? They would double the lowest face amount.
- 2 Some carriers allow you to convert another carrier's term plan to their permanent portfolio?
- 3 A few carriers do not "stack impairments" but underwrite the most debited impairment?
- 4 One life carrier doesn't underwrite its Child Term Insurance Rider, which makes it possible for families with children with some health issues to get life insurance?
- 5 Most applicants that have experienced personal bankruptcy can be underwritten as soon as the bankruptcy is discharged?

To learn more, please contact your Brokerage Manager at 781.449.6800