



# It's About Your Business

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



## PRESIDENT'S MESSAGE

### Why Advisors Need To Change The Way They Work

Kenneth A. Shapiro |  
President

Even though the message is an attention-grabber, some advisors miss it. It goes like this: *"If you want me to buy from you, your job is figuring out what makes sense to me."*

No longer is it what advisors want to sell. They need to be prepared to offer clients products that are the right fit for them, now and later. It's having the resources for figuring out what makes sense to them.

It's an enormous shift that's changing the way life insurance advisors work with clients. Here are five ways to meet the challenge.

#### Focus on cross-selling

Even satisfied, loyal clients are at risk of being hijacked by competitors, eliminating the possibility of future business. It's easy since many advisors view clients as "one-off" customers; sell them a policy and move on.

A cross-selling strategy is critical if an advisor wants to prosper. Marketing disability income plans to business clients and prospects is a place to begin, starting with business owners and their top personnel, particularly those ages 35 to 55.

*Here's why:* Besides being successful, business owners are responsible—they know they have a lot to lose if they can't work. A multi-life program with individual policy ownership solves the problem—no more "what ifs" hanging over their heads. With simplified underwriting, sales are transactional. While meeting an immediate

Continued on page 3

## MAKE YOUR WORKDAY WORK FOR YOU

### Give yourself more time to sell

Paul Agranat | National Sales Director

**S**alespeople know that what they did yesterday or what they're going to do tomorrow is not nearly as important as what they do today. Yet, for many in sales, it's today that causes the most problems, the hurdle that holds them back.

It may be happening to you, keeping you from moving forward and causing job dissatisfaction. It's easy to find out. Do you find yourself doing any of these things?

- Always playing catch-up
- Making excuses for not getting stuff done on time
- Falling behind in making calls and appointments
- Getting stressed because you never have enough time
- Complaining because there are too many interruptions

If any of those apply to you, you're not alone. If you don't do something about it, however, you may limit or even put your sales career at risk.

*Here's the point:* It isn't enough to be motivated and like what you do. That's important, but it's just one side of the coin. The other one is equally important: It's what you do day-in-and-day-out that produces results and determines your success.

*What's important is finding ways to make every day work better for you, so you have more opportunities and more time to do what you do best: sell.*

Find tips on page two that will help you take control of every day so you can be more productive:



Continued on page 2



## ANNUITIES

### Are you giving away retirement business?

Paul Heffernan | Annuity Wholesaler

What keeps your retirees and pre-retiree clients awake at night? Risk of losing money? Fear of inflation? Outliving income? The ability to maintain a current lifestyle? If this is what you hear from your client, annuities can put all these worries to rest. Annuities can help. Here are ideas how to put them to work for your clients:

- Annuities are a great alternative to CD's. They're tax-deferred, meaning they

can lower your clients' yearly tax bill. The death proceeds pass directly to the beneficiaries while CD's may be tied up in probate.

- Annuities are one of the only ways to turn a 401k or other retirement savings into a pension that delivers a lifetime income.
- Retirees don't want to take chances with their money. They're looking for certainty and that's what annuities give

Continued on page 4

### Create a daily To-Do List with details and notes

The objective is to stay on top of your work and not let things fall through the cracks. Here are a few items for your daily To-Do List:

- ✓ Today's goal
- ✓ Appointments
- ✓ Follow-up calls
- ✓ New prospect contacts
- ✓ Client calls
- ✓ What's due today, evaluating and ranking what is important
- ✓ What I should be working on now

And then, without fail, end your day by planning the next day, so you will be mentally prepared when you start the new day.

### Dangers that can rob you of your day

- Failing to keep a To-Do List
- Not setting a daily goal
- Not avoiding distractions and interruptions
- Procrastinating
- Poor scheduling

### Effective time management enables you to work smarter not harder so you get more done in less time. The benefits include:

- Increased productivity
- A competitive advantage
- Better professional reputation
- Less stress
- More opportunities for reaching your career goals
- Sense of happiness and well-being
- Higher income

You're in sales because you like taking responsibility for your destiny and benefiting from your efforts. That's what selling is all about. *Almost, but not quite.* By themselves, motivation, skill, and drive don't make this happen. It also takes having the determination to make sure every workday works for you, so you have more time to sell. When that happens, nothing can stop you.



### LIFE INSURANCE SALES

## BEAT THE COMPETITION WITH THE RIGHT CLIENT EXPERIENCE

Anthony O'Kussick, CLU | Director of Operations

Even those who say they want life insurance don't get around to buying and point to one reason: "the dread factor." They picture the experience as time-consuming, drawn out, difficult, and worst of all, expensive. Most assume life insurance costs far more than it does.

In other words, good prospects are often turned away and lost because of inaccurate and damaging perceptions. Don't let this happen. Wow clients with an experience that's far better than what they expected.

The place to begin is recognizing that most problems start with the life insurance application. This is where clients can become irritated and doubts creep in. The reason why this happens is simple: Although there can be mitigating circumstances, *the biggest problem is applications with incomplete and inaccurate information.* When this occurs, the process goes on-hold. As every agent knows, this is when clients become concerned.

Having to go back to a client for additional information or answers to new questions

disrupts the sales experience. Besides, it's embarrassing and can do unnecessary harm.

Happily, there's a way around this problem using the new electronic applications or drop ticket process. Since electronic apps reject paperwork that's not in good order, this is a way to make sure carriers start the underwriting quickly. Then, if an exam and APSs are needed, the carrier can avoid delays by seamlessly initiating these during a telephone interview.

Speaking of APSs, medical records can be a key factor in how fast an offer becomes available. To avoid unnecessary bottlenecks and troublesome delays, it's prudent to determine which medical records, if any, will be required and then go ahead and obtain them.

Clients are more sensitive to delays and interruptions than ever—and less forgiving. They expect the professionals they work with to get it right the first time.

And from an agent's viewpoint, this means taking the steps that satisfy clients who then are pleased to talk positively and make referrals.

### CASE STUDY

## What goes on an app has a long tail

A 46-year-old male applied for life insurance and was approved at preferred rates due to his build.

When the agent went to deliver the policy, the client wanted to change the payor to his employer, a company owned by his wife. The agent collected the check that was drawn on the company's account. Everything else remained unchanged: he was the insured and owner of the policy and his wife remained the beneficiary.

The agent submitted the delivery items to First American. "When we went to pay for the case," said Sue Devlin, Long-Term Care & Disability Income Specialist, "the change required a re-issue of the policy. It also triggered an additional criminal history background check, which the carrier requires when there is a payor change.

Based on the results of the criminal history check, the case was declined. "The client was not

## CASE STUDY



honest on the application when answering the criminal history questions," Devlin says. "If he had not changed the payor, he would have had coverage." But, as Devlin points out, a claim may have been denied even if he had received coverage due to not being honest on the application.

To learn more about this case, contact Sue Devlin at First American.

need, an advisor is also laying the groundwork for future life insurance and annuity sales.

### Focus on new revenue sources

Whether you're directly impacted by the DOL rule or not, advisors should develop new revenue sources so they can present themselves to clients and prospects as need-based practitioners. To put it bluntly, relying on one product line, such as life insurance, won't cut it. That's like trying to maintain your balance on a one-legged stool. A stable, growing practice depends on having a product portfolio that captures clients' interest and, most of all, answers their worrisome questions. Such a portfolio should include disability income protection, annuities, and life insurance.

### Focus on linked benefits

Although consumers eagerly embraced the concept of long-term care, they failed to buy it, citing ever-escalating premiums. While most insurance companies have exited the market, the need for affordable care continues.

It took time, but insurance companies found traction with so-called linked benefits, riders

added to life policies or annuities. They give clients the flexibility of using a life policy or an annuity contract for long-term care, if needed. And that makes sense to clients, as sales figures indicate.

By using linked benefits, an advisor can customize a life policy or annuity to fit a client's objectives. Then, if a client doesn't need long-term care, the benefit isn't lost and will be available to a beneficiary.

### Focus on accumulation products

Many advisors were hooked on Guaranteed Universal Life because of its appeal to clients—low cost, fixed premiums to a certain age, and safety. All this made it easy to explain.

That was then, and this is now. In 2017, a regulation goes into effect requiring insurance companies to set aside larger reserves for each premium dollar, taking the bloom off the rose. Retirement finances are top-of-mind for consumers, whatever their job or age. They want more than a death benefit; they want accumulation, which makes permanent life appealing to today's clients. It makes sense because these products are flexible, there's

cash in the policy that clients can access easily, and they can make changes as needed. And with interest rates going up, permanent insurance will be even more appealing.

### Focus on simplified underwriting programs

When clients want it done now, simplified underwriting does it fast. No lengthy app, just answering a few questions is all it takes. Best of all, there's no extra cost and coverage is available up to \$1 million.

Today's simplified underwriting takes advantage of predictive analytics and other resources, such as Script Check®, a prescription database. And the policy will be delivered electronically to your client in 24 to 48 hours. No longer can advisors meet client expectations by working as they have in the past. Now, the demands are greater, and the expectations are higher. Growing a practice requires focusing on the right issues—cross-selling, new revenue streams, linked benefits, accumulation products, and simplified underwriting.



## AN OPPORTUNITY FOR LIFE INSURANCE ADVISORS

### USING LONG-TERM CARE INSURANCE TO PROTECT CLIENT ASSETS UNDER MANAGEMENT

Sue Devlin | Long-Term Care & Disability Income Specialist

Investment advisors work hard to grow both their client base and total assets under management. Even so, there's always attrition as some clients leave and others die.

But there's also another type of loss that has an adverse impact on advisors' income by siphoning off client assets—namely, the cost of nursing home care. The figure looms larger every passing year and is now pushing \$150,000 a year in Massachusetts, for example.

It's equally significant that 70% of those reaching 65 years of age will require some type of long-term care during their lifetime. Yet, currently, only about 10% of this population is protected by a long-term care product that can help defray at least some of the cost.

This situation has potentially serious financial implications for clients and their advisors—both will feel the pain. Clients will see their assets shrink as funds are diverted to nursing homes while declining management fee

revenue will impact advisors. To clarify the picture, consider two client profiles:

- Retirees, age 55-75, who have accumulated assets and who have worked or are working with financial advisors on a retirement income strategy.
- Individuals, 45-60, who are still working, have excess income flow and are actively saving and planning for retirement.

When advisors have a client base with 50% fitting these profiles, it's reasonable to assume that anywhere from 33% to 50% of their revenue stream could be at risk.

Fortunately, such a scenario is avoidable. Here are two client profiles that demonstrate what can happen to help keep both advisors and clients whole by shifting a limited amount of client assets to a long-term care insurance plan:

#### A 60-year-old female

- Repositions \$100,000 as a single pay

long-term care plan with 80% return of premium

- On day one there's a \$5,264 per month benefit; \$408,000 total available pool
- At age 80, the monthly benefit is \$9,805 and a \$737,000 total pool

#### A 50-year-old male

- \$10,000 annual premium for ten years for a long-term care plan with 80% return of premium
- On day one there's a \$6,150 per month benefit; \$477,000 total available pool
- At age 80, \$14,927 per month benefit; \$1.1 million total available pool

These scenarios illustrate how long-term care protection can assure clients that their assets will not be eroded by costly nursing home care if they should need it. And, at the same time, financial advisors can protect their management fee revenue from being lost when assets are diverted to pay nursing home expenses. It's a win-win strategy for both clients and advisors.

Because of its benefits, this strategy is an opportunity for life insurance agents to market it to financial advisors and their clients.

Continued from page 1 > **Annuities: Are You Giving Away Retirement Business?**

them. For 75% of retirees, income certainty ranks higher than portfolio performance. With annuities you can give clients what they want: protected retirement income.

- *Indexed annuities are a great fixed alternative in a low interest rate environment.* They have more upside potential than CDs, Money Market accounts, or fixed annuities. But that's not all. With zero downside risk, they also provide safety.

Annuities may not answer every question, but they answer the questions your retiree clients are asking.

*To explore the possibilities of marketing annuities to your clients, contact Paul Heffernan at First American.*

## UNDERWRITING CASE STUDIES

### ABNORMAL WHITE BLOOD CELLS AND POOR FAMILY HISTORY

- 65-year-old male
- Both parents had cancer at age 60, though they are still alive so the doctor was unconcerned about white blood cells
- Applying for \$1 Million GUL
- Offered Preferred Plus

**Annual Premium \$20,754**

### HEPATITIS B

- 52-year-old female
- Elevated viral load, abnormal liver functions, mild fibrosis
- Applying for \$10 Million GUL
- Offered Standard Non-Smoker

**Annual Premium \$111,120**

### PROSTATE CANCER

- 64-year-old male
- 6 ft. 1 in., 230 lbs.
- Cancer Stage 1, 4 years ago with Gleason Grading 5, treated with radical prostatectomy
- Applying for \$1 Million Term
- Offered Standard Plus Non-Smoker

**Annual Premium \$12,158**