



## Tools for Doing More Life Business in 2019

A life distribution coach says it's time for you to pick up a new toolbox and get to selling.

by *Kenneth A. Shapiro, as seen in* **ThinkAdvisor**

Parents need their kids to seek out opportunities that will prepare them for moving forward faster. As every parent knows, some kids get the message better than others.

This is also the story of many life insurance agents. Some see the possibilities and are quick in responding to new opportunities. Others see hurdles that keep them from doing business.

In 2017, Life Happens and LIMRA offered a blueprint for how to work with today's consumers with their 7th Annual Insurance Barometer Study. The picture that emerged of what consumers want from the life insurance buying experience is clear:

- 83%: Products that are "easy to understand."
- 66%: "Ability to chat with a person."
- 64%: "No need for a medical exam."
- 51%: "Faster sign-up process."

There's more. Consumers are unclear about fundamental life insurance issues: the cost of life insurance, who needs it, and how much they should have. With a situation such as this, is it any wonder consumers aren't standing in line to buy it? Is it surprising that they don't want to talk about life insurance?

But this may be about to change. One company has set out to make owning life insurance desirable. It's a program that aims to accomplish through three significant objectives:

1. Engaging customers with imaginative health and wellness awards and rewards program that includes premium savings
2. Satisfying customers with proven benefits of a longer and healthier life
3. Increase possibility of advisor referrals from satisfied customers

It took three years for the program to get to where it is today, and this is just the beginning. Whatever the outcome, it's a successful effort to attract people who are interested in life insurance and who are willing to make it work for them.

This program is just one of some innovative life insurance tools for engaging prospects. They are advisor-friendly and make it possible to fulfill prospects' expectations:

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Dazzle prospects with fast, accurate offers on term life policies without a medical exam or a physician's statement if they are in good health and have good credit. You can make it happen with accelerated underwriting. Clients can have policies in their hands in 24-to 48-hours—sometimes the same day.

Don't confuse accelerated underwriting with "guaranteed issue" policies. accelerated underwriting is fully underwritten using algorithms. While there's no medical exam with guaranteed issue, policy limits are lower, and premiums are higher.

There's no need to say, "I'll get back to you as soon as I can." Get them what they want at just the right moment — when they're interested and motivated in making the purchase. Here are four ideas to keep in mind.

## **1. Do it now.**

You may know it as Drop-Ticket (an electronic platform called ExpressComplete). Use it for those prospects who are adamant about getting it done right now. If you can't take care of them, they'll find someone who will. When, you say, "Let's do it right now," you'll not only get their attention, you'll land their business.

When using ExpressComplete, there's no need to meet with a prospect. Since everything is done online, you can do it all from your office, using the app. Better yet, the entire process is paperless. You'll save even more time, since the carrier will arrange a phone interview with the client, and policies are approved quicker.

## **2. There's more retirement money.**

Yes, index universal life (IUL) is one of the most useful tools for helping consumers meet their financial goals. It continues to lead in life insurance sales—even after being on the market for nearly three decades. It's so popular that the IRS limits the amount that can be put into it, so it doesn't get too "hot."

While it has the benefits of universal life plans, it's the accumulation values that make it so appealing to consumers, which are tied to the S&P 500 Index. Although there's a company-set cap on the upside, there's also a company-set floor for safety in not so good times. In other words, clients participate in stock market gains and minimize risks.

On top of all this, IUL is a two-stage product offering significant flexibility during accumulation and distribution. It's particularly appealing to consumers since their invested funds grow tax-free. They also see their IUL plans as a living benefit since it can serve as a way to supplement their retirement income.

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## 3. Don't use it? Don't lose it.

Life carriers were on the right track when they responded to rising nursing home costs with long-term care insurance policies 30 years ago. “Who’s going to take care of me?” and “Nursing home costs could wipe us out financially.” These were the ever-present consumer concerns.

While the carriers had the right vision, the pricing design failed to meet buyer expectations. First, they fell victim to a lack of guarantees and ever-increasing premiums. Second, prospects didn’t buy into losing their investment if they didn’t use the coverage. Over time, carriers abandoned standalone products.

With long-term care costs surging, calls for protection continued unabated, another example of pent-up consumer demand at work. This time the carriers responded with the right product: long-term care riders for both permanent life insurance products, as well as annuities.

Riders have erased the criticisms of both the “use it or lose it” and the rising premium complaints of the standalone long-term care policies. All or a portion of the coverage is available for long-term care services and whatever isn’t used, if any, goes to the beneficiary. Or, if long-term care is not needed, the total coverage becomes the death benefit. The additional premium for the rider is guaranteed, overcoming the objection to standalone policies. Like IUL policies, riders are an example of life insurance for the living.

## 4. There’s business waiting for you.

Some may recall that in the late 1990s regulators became concerned that some life insurance companies were under reserved and, at least potentially, in financial jeopardy.

To help solve this problem, they adopted the Triple-X regulation that required higher reserves and, consequently, higher premiums, which set off a massive sales effort, particularly in 20-year guaranteed level term-life sales.

Now, many of those policies are reaching maturity and policyowners are facing significant premium increases in the 21st year. Many are dropping the coverage, while others are writing checks. Because so many policies are out there, this is an opportunity for advisors to work with these policyowners and find solutions that fit their situation. But even having the right tools is not enough to get us to the goal of doing more business in the year ahead. That takes the commitment to put our tools to work.

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