

Brokerage News

Bringing income protection to light.

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Changing the DI Conversation

Research has shown that a positive, benefit-oriented approach to the disability insurance (DI) conversation resonates more strongly with clients. The following are three keys that will help you have more meaningful conversations with your clients about income protection:

1. Protection of Income:

Though advisors and clients agree that income protection is important, the idea of “disability insurance” can be difficult to convey. The name itself can often be an obstacle. It can be perceived as negative and clients don’t necessarily make the connection to DI as a means to protect their income. Shifting the DI conversation to focus more on income protection insurance can help highlight the benefits instead of the risks. By focusing on income protection, DI can be positioned as the policy that protects everything else and helps your clients stay on track financially.

“Your income is the foundation of your entire financial plan. It’s the thing that makes everything else possible. Think of disability insurance more as income protection - something that keeps your larger financial plan intact no matter what.”

2. Connect DI to a broader conversation about income and asset protection:

Without additional context, it’s easy for client to dismiss disability insurance as unnecessary. Connecting DI to other forms of insurance clients already value will help elevate DI to the perceived level of importance of life and group coverage.

Connecting to Life Insurance:

Many clients already understand the inherent value of life insurance as it provides them with the peace of mind that in the event of their premature death, the financial obligations that their income currently covers will be met. In other words, life insurance is a form of income protection. However, life insurance alone can leave the client partially unprotected. Showing DI as the solution to balance their income protection plan should they become unable to work due to illness or injury can help them understand its importance.

“Your life insurance provides us with a great start to your income protection plan; however, I am concerned that we have not addressed the impact an illness or injury will have on your financial plan and I would like to explore some options with you.”

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Changing the DI Conversation, Continued

Connecting to Group DI:

Chances are many clients in your target audience have group disability coverage through their employer. However, many may not understand what group coverage offers or how an individual policy is different. This misunderstanding can easily be turned into an opportunity for you to explain the details of the group policy to the client. Explaining the income gap that most group coverage leaves is one of the most important points of the DI conversation. Simply pointing out the shortcomings of group coverage can turn clients off and create an unnecessary stumbling block in the conversation. Clients don't want to be made to feel like they've made a poor decision by having group coverage. A better approach would be to reframe individual DI as a complement to group coverage for clients who may need a little more protection.

"The coverage provided by your employer provides us with a great foundation for your income protection plan. There are some options available that allow us to enhance what is provided by your employer that I feel are important for us to consider."

3. Stability:

Too often, today's disability insurance conversations are grounded in what clients see as "scare tactics" — language that focuses on the dangers of not have DI. Clients are asked to imagine scenarios where they can't pay their mortgage, can no longer save for their children's education or have to tap into financial reserves to make ends meet. Conversely, clients often see overly aspirational language — language that highlights protecting dreams and taking lofty vacations — as out of place or inappropriate in the context of disability. Using extreme language to sell DI only increases client suspicion, diminishes trust and creates an unnecessary road block.

Planning Tips for Q3

With the start of a new quarter, here are some sales planning tips you can use to help you sell more income protection to your clients.

Overhead Expense Conversations:

Make a point of having a conversation with all of your small business owner clients about their need for overhead expense coverage. This coverage helps owners keep their businesses running when they are too sick or hurt to work. Covered expenses are typically those that are tax deductible for federal income tax purposes, such as premiums for malpractice insurance, mortgage/rent, salaries, utilities, water and more.

More discounts in more places¹:

There are a variety of discounts available in the individual DI marketplace that can be taken advantage of by your clients with your help. Look for opportunities to use the following discounts:

- **Affiliation Discount:** Discounts for three or more individuals with a professional affiliation.
- **Association Discount:** Discounts for approved associations.
- **Multi-Life Discount:** Discounts for three or more employees with a common employer.
- **Business Owner Discount:** Business Owner Discounts and Upgrades are available to most small business owners that have at least one full-time employee.
- **Multi-Product Discounts:** Discounts are available for business owners that purchase more than one disability insurance product (i.e., Individual DI + BOE).

Take advantage of bonus programs:

Standard, Principal and Illinois Mutual have production-based bonus programs that allow you to increase the revenue generated by your efforts. We can provide you with a customized report to help you take advantage of these programs.

¹Discounts may not be available with all carriers, in all states or for all occupations. Contact Truluma for details.

Income Protection for Pilots

As important as life insurance is to professional aviators, disability income protection is equally as imperative. Whether a pilot flies for a commercial outfit, is self-employed as a crop duster or does heavy-lift work in a helicopter, the reality of disablement exists among every class of aviator. Due to accident or illness, there is always an imminent threat of short-term and long-term loss of income, resulting in an immediate change in lifestyle and potential financial devastation to one's family.

Built upon the chassis of personal disability insurance products, Petersen International Underwriters offers expanded Loss of License insurance which has become the new standard of financial protection in the aviation world.

The Loss of License product is the most comprehensive pilot disability plan in the market. It was developed to protect the income of a pilot in case of the suspension or revocation of the pilot's medical certificate by a governing body (FAA or foreign counterpart) due to an injury or illness. Its protective umbrella reaches past the realm of traditional disability insurance with a platform of benefits specifically designed with professional aviators in mind.

Underwriters created Loss of License insurance as an improvement upon standard disability policy wordings and definitions to not only cover those conditions usually indemnified by a common DI policy, but to also protect against occurrences that would result in the temporary suspension of a pilot's medical certification which would not fall under usual disability wordings.

Common examples of conditions that frequently result in Loss of License claims are elevations in blood pressure, heart attacks, elevations in blood sugar as well as diseases like Parkinson's. Under a standard personal disability policy, the above listed conditions wouldn't necessarily be considered qualifying events for DI claims without the manifestation of debilitating symptoms. However, just the presence of those conditions can be reason enough for the medical grounding of a pilot by the FAA or other governing body. Under the protection of Petersen's Loss of License policy, such conditions are deemed disabling events if a pilot loses certification.

Loss of License insurance can be offered to any class of professional aviator with rates in line with traditional pilot disability products. Policies are available on a fully underwritten, simplified-issue individual or guaranteed-issue group basis.

Tip:

When we think about professional pilots we usually think of those who fly commercial airlines. However, there are a wide variety of career opportunities within the aviation field. The Loss of License insurance plan is designed to cover many of these occupations, which include:

- Commercial Pilots
- Corporate pilots
- Cargo pilots
- Aerial applicators
- Agricultural pilots
- Firefighter pilots
- Air show pilots
- Test pilots
- Air ambulance pilots
- Helicopter pilots





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News You Can Use

- The Standard's Platinum Advantage GSI income protection product launches in approved* states on June 1, 2017. All new requests for proposals (RFPs) submitted on or after the product launch date of June 1, 2017, will be quoted on Platinum Advantage GSI. The final day to submit requote requests for Protector PlatinumSM GSI is July 31, 2017.
- Assurity has announced a new Graded Benefit product specifically designed for high risks. Call us at 877.455.9580 or email info@truluma.com for more details and availability in your state.
- We've hired two new internal sales consultants at Truluma! Amy Falconer and Amy Thorson both bring a wealth of experience in helping advisors find the best income protection products for their clients.
- We also welcomed Leesa Albert to the Truluma team as a DI consultant. She comes to us with decades of experience in both group and individual markets.