

# Brokerage News

Bringing income protection to light.

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## Attorney Issue

### A Great Market for Income protection

**The verdict is in... Lawyers represent one of the best income protection opportunities!**

Lawyers are highly trained professionals that depend on their ability to resolve complex issues and communicate effectively. The training required for them to practice is extensive and the need to specialize for many requires additional training and expertise. They are paid based on productivity and even a slight reduction in capacity will likely have a disproportionate effect on their income.

#### **They have a lot to protect!**

In 2016, the median average income for lawyers was \$118,160 a year. There are nearly 800,000 practicing lawyers in the U.S. and most practice in small firms where they are singularly responsible for generating their income.

#### **Most law firms are small businesses that need a host of income protection products.**

When lawyers are out on disability claim for an extended period of time, it stands to reason that at least some of their clients will seek counsel elsewhere. Not only will they lose personal income but they will lose the income stream required to pay their office rent and employees. It will take time to rebuild a client base. If they cannot return to work, they will need to transition their firm to another attorney and hope to receive a fair price for their life's work.

#### **Make a strong closing argument!**

Share the importance of income and business protection. Once you have established a relationship with a lawyer, leverage it as a referral source for additional business opportunities!

**Contact us for a helpful marketplace infographic that outlines all you need to know about this market.**

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# Law Firms are a Great Market for Income Protection

Attorneys advise and represent clients publicly and privately, research cases, prepare and file legal documents and interpret laws, rulings and regulations.

## Background Details:

- Average annual income: \$115,820<sup>1</sup>
- Education: Doctoral or professional degree
- Ongoing education: 12 to 15 hours of CLE credits per year (plus 1 for ethics)
- State licensing: Required
- Number of jobs: 778,700<sup>1</sup>
- Job growth projection by 2024: 6%<sup>1</sup>
- Types of attorneys:
  - Criminal law attorneys
  - Government counsel
  - Corporate or in-house counsel
  - Legal aid attorneys for nonprofit work
- Ideal market because they're:
  - Highly trained, educated and well-compensated
  - Frequently in the position of influence with others
  - Often small business owners themselves or work with small business owners

<sup>1</sup>Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.

## Market Insights:

• **Many associations are available for attorneys.** The largest is the American Bar Association (ABA), with nearly 400,000 members. Each state, as well as many cities and counties, have bar associations, too. Some state or county bar associations allow non-attorneys to join.

**Tip:** Many attorneys have group disability insurance through the American Bar Association. Explain the differences between that and Individual DI coverage and how both can be valuable.

• **Workload.** Attorneys are known for putting in long hours as they represent clients, conduct research and prepare and review documents. They are also known for having to deal with heavy pressure from a number of sources - including goals set by their firm, deadlines and court trials. Finding work-life balance is often a challenge. When working with attorneys, be flexible for timing and come prepared.

## Establish a referral arrangement

Create a referral relationship with a local attorney. Attorneys often encounter clients who not only need legal guidance, but insurance and investment solutions as well. Some attorneys may become licensed to offer financial services, but that can open them up to additional regulations. A good alternative is for them to assemble a financial services team to which they can refer clients.



# Income Protection Coverage for Attorneys

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## Plan Designs:

You have a great deal of flexibility when designing income protection plans for your attorneys. Coverage can be established as a standalone plan or designed to supplement existing group coverage. Some of the key features available include:

- **Own Occupation Definition of Disability** - Protects the attorney if he or she cannot perform the material and substantial duties of their occupation.
- **Non-Cancelable Rider** - Provides premium and contractual guarantees.
- **Residual** - Provides benefits if, as the result of an injury or illness, an attorney is working in a reduced capacity and suffers a loss of income.
- **Future Increase Options** - Allow for additional coverage to be purchased without medical underwriting.
- **Portability** - Coverage follows the attorney if they change employers or start their own firm.
- **Mental Nervous Coverage** - Full coverage is available for mental nervous claims.

## Available Benefits:

- Attorneys can obtain up to \$35,000 of tax-free monthly income protection benefits through domestic DI carriers.
- Attorneys in their first two years of practice can obtain up to \$4,000 of tax-free monthly income protection benefits without financial documentation.

## Guaranteed Issue Programs:

- Guaranteed issue income protection programs can be implemented for law firms with 5 or more employees.

## Premium Discounts:

- Discounts are available if two or more partners obtain coverage.
- Discounts are available if three or more individuals from the same firm obtain coverage.
- Association discounts are available. Check with Truluma for availability.



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## News You Can Use

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- Truluma's website is getting a fresh, new look! Keep an eye out for our announcement soon to see what our new site has to offer.
- On October 12, 2017, our own Jeff Kerns is launching his book, ***The Napkin Advisor***. Co-written with the D.I. Coach, Chris Carlson, this book is full of ideas to help you increase your income protection sales and is a must-have for any advisor in the income protection market.
- Ameritas made changes to their occupational classification for Obstetrics and Gynecology, discount for dentists and maximum issue limit on the Business Loan Repayment Rider. Contact us or visit our website for more information.
- The Standard launched Platinum Advantage GSI on June 1, 2017 and all existing GSI plans will move to Platinum Advantage, in approved states, effective January 1, 2018. Contact us for details about the Platinum Advantage GSI product and changes.