

DI Forum

A Panel Of DI Experts Looks At The Disability Income Market And What Can Be Done To Increase Agent Involvement In DI Protection Solutions



Eugen Cohen
Eugene Cohen Insurance
Agency, Inc.



Raymond J. Phillips, Jr.
The Brokers Source, Ltd./
The Plus Group PA



Jack B. Schmitz
DI & LTC
Insurance Services



Thomas R. Petersen
Petersen International
Underwriters



Kenneth A. Bloch
The Bloch Agency



What are your assessments of the individual, group, business, and excess disability markets today?

Cohen

There are very few companies that write disability income protection. And there are very few advisors who offer it.

So, if there are very few advisors who offer it and the product is needed by many people, it's a great way to grow your book of business. Wouldn't you agree?

The products in the individual market are so versatile. They cover so many different needs. And as I always say, "Need motivates action." There are business disability products to fund a buy/sell agreement. There are disability products to fund business loans—if an individual is disabled and can't pay a particular loan. There are key employee policies to help an individual cover the needs of the business when an employee is disabled.

And the limits of individual coverage that the individual companies are writing today are high. When I started in the business the amount of coverage I could offer a client was much more limited. The limits were low. The underwriting was very strict. And the products were not as creative as they are

today. Yes, my assessment of the individual disability market today is that it is exciting.

Group disability coverage (also known as Group LTD) for many individuals is important. It's great when a company can offer group coverage. Group LTD insurance is good for people who don't have disability insurance. It's better than nothing. It's better to have something than to not have a policy.

But I want you to understand that group LTD coverage can be limited for individuals who are making a high income. We can run into something we call "reverse discrimination." These higher income earners are discriminated against because a small portion of their income is covered with that group LTD policy.

Let's take a typical group LTD policy...it insures a percentage of a person's income, let's say 60 percent, up to a limit of say \$10,000 per month. Let's take an individual making \$300,000 a year. That person can have a particular problem. They earn \$25,000 per month. But the individual is only getting \$10,000 per month in benefits with their

group LTD plan. With the group LTD plan alone, this person is insuring 40 percent of their income. Well, they need more coverage. So, let's take an individual disability insurance policy and layer it on top of that group LTD coverage.

And let's have that person self-pay their individual disability policy premiums so their benefits may be tax free. (Just a reminder, when the employer pays a group LTD policyholder's premium, the benefits may be taxed.)

There are often other limitations with group LTD coverage. Many of the group LTD policies are only covering mental and nervous disorders for a limited amount of time. For example, some of the group LTD policies only cover mental and nervous disorders for two years unless you're in a hospital.

Also, some group LTD plans may not cover bonuses and excess income an individual may receive. And the definitions of a "disability" in group LTD policies may not be as comprehensive as the definitions in individual policies. Also, many group LTD policies may not be portable if you leave your job.

Both group LTD products and individual disability insurance products are important in protecting income. When a client tells an advisor, "Oh I don't need individual disability insurance, I have group LTD coverage,"

remember that this is **not** necessarily an objection. If the client has group LTD coverage, this person likely understands the need. And that is often the perfect start to a conversation regarding the need for individual disability insurance as well!

Phillips

Without looking at any statistics from LIMRA, or other authority, and only from my little corner of the world, my view is that the group LTD market is recognized and stable. The individual, business and excess markets are not overly recognized and are underpenetrated.

Group LTD (and short term DI, STD) is a product that is widely sold in the group benefits realm. It's an offering that many employers recognize as an offering to their employees to enhance their competitive stance via an overall benefit package (I'm not sure that many understand the underlying definitions very often however!). While many employees may not know exactly what it is, they know they have "DI at work."

Other DI offerings seem ignored by consumers and employers. Sadly, we've run into many, many instances where company group reps themselves don't know about, or don't seem to care about, their own carrier's non-group offerings. So much for a synergistic, strategic relationship with a company rep in this arena!

However, that lack of recognition begets tremendous opportunities for planners, advisors and agents to enhance their practices and prospect for new clients. The disability income market is staid, and historic...and yet still offers, effectively, a ground floor opportunity. Especially in the lesser penetrated industries and markets. Doctors, dentists, even attorneys, to a great extent recognize and embrace the consideration of income protection relatively speaking. Think of all the other industries out there!

Schmitz

Underpenetrated due to lack of communication, marketing, and incentive.

Petersen

The specialty and high-limit DI market is strong, but we have seen a relative plateau in IDI business and a greater focus of DI advi-

sors on the burgeoning GSI sector of group DI, especially among physician groups and law firms. Employers get tired of wrestling with medical insurance and see disability plans as great group benefits.

The business disability markets continue to be strong as there is always a business deal taking place.

Bloch

The individual disability income marketplace remains on a steady path. There is a fantastic opportunity, however, for carriers to re-energize the marketplace with exciting and creative solutions. The challenge is to create a product and premium structure that the consumer will understand and want to purchase. The group LTD marketplace is becoming more of a commodity product with a "race to zero" mentality. There is limited interest in provision quality today perhaps due the medical care cost issue that has become so time consuming and expensive. The excess disability markets are exploding with new ideas, coverages, and new premium. Product creativity and underwriting enhancements have provided unique solutions for the business and high-income markets.



What needs to change to get producers who shy away from selling DI to embrace these markets?

Cohen

I believe the saying, "Knowledge is power." The problem that we have in the industry is that we are often dealing with advisors who haven't specialized in disability income protection. They don't know a lot about it, so therefore they shy away from it. Most folks will shy away from something to sell if they don't understand it. He or she doesn't want to present it because they won't be able to handle the questions the clients would ask.

Many advisors have worked very hard to earn their clients' confidence. Often advisors don't want to jeopardize that confidence by

offering a product that the advisor knows nothing about.

So, my suggestion is that we have to educate the advisors. First of all they have to understand the need for disability income protection. It's very simple. Many times advisors just want to insure the golden eggs. We have to insure the goose that lays those golden eggs.

The insured's greatest asset, many times, is their ability to earn an income. If you take an individual who is 35 years old, who's earning \$100,000 per year through age 65, that future income is worth \$3,000,000. That's if he or she doesn't have any raises, bonuses, or any additional compensation. So that could be their most valuable asset. All of the insured's hopes and dreams are based on that asset—future income.

Why doesn't an advisor talk about business overhead expense for a small business or a small professional person? The advisor may not even know it's available. So, naturally, they're not going to bring it up.

How about an individual who funds a buy/sell agreement for life insurance and their advisor never brings up the fact that there is a policy for disability that will help fund that buy/sell agreement if one of the owners has a serious disability and can't work for a long period of time?

So, this is our job. Our job as a brokerage agency is to educate and to help the advisor. I hear many times an advisor say to me, "This client got a million dollars of life insurance, best class. But they're putting a rider on my client's disability policy that's excluding coverage on his back. And my client says he's only been going to the chiropractor for preventive adjustments."

Well there are two points that need to be made regarding this scenario. First of all, with life insurance, a bad back isn't generally going to affect an individual's life expectancy. So, the client may get best class.

But a bad back could affect a client's ability to work and earn an income. The result—the client could be given best class with his life insurance and a back rider on his disability policy.

The second point I'm going to make is going to delve more closely into the back rider itself. In our example the client said he had only been going to the chiropractor

for preventive adjustments. Well, that may be the client's perception. But with disability insurance underwriting, underwriters are almost always going to ask for an Attending Physician's Statement (APS) regarding an applicant's back treatment. And in this example, the APS said the client was receiving more than just preventative adjustments.

Here's another example of a rider that can come up on an individual disability insurance policy. If an individual is going for counseling, or taking anxiety and/or depression medication, there's a good chance that the individual will have a rider on their policy excluding mental and nervous disorders.

We have to get the advisor to understand the underwriting of disability insurance. It's completely different many times than life insurance underwriting. We manage the advisor's expectations, so they can manage their client's expectations. We always do our best to prepare the advisor. It goes back to giving the advisor the knowledge he or she needs to feel confident providing their clients with disability income protection insurance.

Phillips

One stumbling block is the processing and underwriting of DI business. There's nothing worse than preaching, prodding, pulling and cajoling a non-DI oriented planner for months and years on end about the power and the glory of income protection planning only to have them submit their first case and be slogged through the mud and dreck that is the processing and underwriting of DI business. Often it creates a one-and-done dynamic.

In this era of ubiquitous preventative medicine, often cumbersome underwriting isn't something we experience for those who are unhealthy. Tests, procedures and exams are done that perhaps weren't even here even just a few years ago. Those need to be reviewed and scrutinized by an underwriter, which can make for a lengthy process.

In addition to laborious underwriting itself, the application process has been primitive. Lengthy paper applications. Uncomfortable tax returns. Something that many planners have gotten "un-used" to in their primary practice's focus.

The good news is that I think the carriers

have recognized this—and at least the processing aspect—and electronic applications, e-policy delivery, etc., have begun to work their way into the market. That evolution will not stop.

Likewise, seeing the ever-expanding offerings of "accelerated underwriting" on the life insurance side, it's only a matter of time before such initiatives bleed over to the disability insurance market. I often say to my staff and our constituents, "We are at the beginning of the end of processing and underwriting as we've known it."

Second, I think carriers and agencies like mine (BGAs, MGAs, whatever you want to call us) need to do a better job of spreading the word of this market and the opportunities herein. We need to bludgeon the market with the message.

I'm a humble member of the DI marketing group, The Plus Group, with some of the greatest DI minds and marketing minds in the nation. Each year we collectively rally around the concept of "DI Day," usually in May to jive with Disability Income Awareness Month (DIAM). Tens of agencies around the country have meetings solely focusing on the abstract and the concrete aspects of income protection, bringing in motivational speakers, company reps, and even consumers who've experienced disability income up close and personal.

We've had tremendous success in not limiting our efforts to a day, but invoking a "DI Year" concept. Weekly something is sent, posted or otherwise on DI. It is an endlessly evolving educational process. Ours is the notion, "If we build it, they will—eventually—come," so to speak.

I think with continued educational offerings from those who are in a position to do so, along with the continued technological enhancements to processing and underwriting, we are on the cusp of new players and producers embracing this important insurance. It should be the bulwark of every financial and insurance plan.

Schmitz

Underwriting. Although Guarantee Standard Issue (GSI) and Simplified Issue programs are helping, we could use a more automated process for gathering health information. (Where is that medical ID-card we heard about years ago?) In the meantime,

we can make it easier by streamlining the process. With broker training we can get brokers to ask a few important questions:

1. When were you last hospitalized, and why?
2. What prescription drugs are you currently taking?
3. When did you last see a doctor, and why?
4. What does last year's tax return or W2 show?

Producers who shy away from selling DI should not be able to call themselves financial advisors. If they do not want to sell DI, they should partner with a DI specialist.

Scalability. Easy and accessible e-applications, or outsourcing the application process, like we have done with DINGO.

Petersen

Greater education of the general public, but more important, greater education of life and health insurance agents. General agents and insurance carriers need to take a greater role and responsibility in educating insurance advisors about the importance of DI and how to better market their programs. This is not a new problem or issue. What many carriers and GAs consider education is frequently product education rather than sales education. Yes you need to know your products, but producers are missing many fundamentals of the sales process.

Bloch

Many producers shy away from discussing disability income because they lack the appropriate training and do not understand the risk or the process. Training is the key. I would recommend that the producer partner with a DI expert to gain disability expertise.

Q *What are some tips for agents to overcome objections to buying income replacement protection?*

Cohen

When offering individual disability insurance to a client, there are four basic objections an agent may encounter. **No need, no hurry,**

no confidence, and **no money**. The agent wants to eliminate objections before they become objections.

First you must uncover the need. How do you do that? You ask questions.

The advisor can ask the client, "How important is your earned income?" About nine out of ten times the client will agree that his or her most important asset is their ability to earn an income.

When the client understands and agrees that their ability to earn an income is their most valuable asset, then it becomes very easy. You must get your client to understand they need the policy even before you start your presentation.

To further point out the "need," I have the client picture a bridge made up of all of his or her financial obligations—the mortgage or rent, car payments, car insurance, kid's bills, utilities, health insurance, groceries, cell phone bills, etc. And then I ask them to picture the only thing holding up that bridge is their paycheck. I ask the client, "If the paycheck is gone, what particular problems will you have?"

I may also ask, "If you were out of work because of a sickness or accident for three or four years without a paycheck, without an income, without any earned income, would you have an income problem?" And naturally they will say yes. Then I feel I have overcome the **no need** objection. I won't go forward with the presentation unless they understand they need the product.

The next objection is, **no hurry**. I want to eliminate that. But I know one thing. Need motivates action. If someone needs something, they're going to act very quickly. Years ago, when I was in my early 20s, my friend asked me to stand up at his wedding. Naturally, I said yes. They said everybody was going to be wearing a tuxedo and that I had to go down and get measured for a tux.

Guess where I was within days? Need motivated action. I was in that tux shop getting fitted in that tuxedo.

If your television goes out and there's an important ball game you want to watch, what happens? You're getting that TV fixed or you may even buy a new one immediately. It's amazing, when we need something, how fast we're going to act.

Need always motivates action. You have

to remember that. If the client knows they need to protect their income, they're going to be in a hurry to get the policy. The **no hurry** objection won't come up.

The third objection is, **no confidence**. I believe you really have to know your product and you have to be prepared. So, before you go out on that appointment, you're going to go through that illustration. The illustration is going to help you understand the product.

And you're not going to prepare by going through the illustration just once or twice. You're going to know that illustration until you could just shut your eyes and see it. I study the illustration. I practice my presentation. I know where I'm going to go in the appointment. If you know and understand the illustration, you're going to instill confidence in your client.

So, again, you have the need objection overcome, the client is going to act if they need it—which is going to destroy the **no hurry** objection, and If you know your material you're not going to have any problem instilling **confidence**.

The last objection is, **no money**. It's interesting. When someone needs something they're always going to find the money to purchase it. The no money objection will generally come up toward the end of the presentation.

Imagine, you've already gone over all the benefits in your presentation with your client, reading right from the illustration. At this point you will summarize the benefits again very quickly, and say to the individual, "If we were to deduct x amount of dollars from your checking account every month for all of these benefits, would that create a financial problem?"

Now you know what the individual is going to say—either yes or no. If they say no, you've overcome the objection and then you proceed to fill out the application. If they say yes, my response has always been, "I don't want you to buy this policy." I don't argue with people. I don't say, "Buy this... sacrifice to buy the policy."

The client is going to tell me if they can afford the policy. And if premium is an issue, I say, "I didn't come here to create a financial problem, I came here to solve one. So, if you leave here very uncomfortable, I

haven't really done a good job. So here's what I want you to do. I want you to think about this. Let's presume we started off with half the monthly benefit. So, we would be deducting x amount of dollars, which is approximately half the premium for half of the benefits. Would that work for you?" If money is still an objection, reach out to the client next year.

I believe you overcome objections **before** you get objections. And that's the way I've been handling them. I don't get a lot of objections when I present a policy.

Phillips

As best as I can tell, there are three major objections to income replacement coverage and they've been there forever. I won't get disabled. I have it at work. I can't afford it.

I won't get disabled. Well, let's hope the client doesn't. But according to the Council on Disability Awareness website (bookmark that page people!), a 20 year old has a *One in four chance of a disability before they retire*. Now maybe it's not a career ending disability, but even a disability of a few months can blow out savings and impact a lifestyle. Are chances better or worse of your house burning down? Anecdotally, there's never been a house fire in my neighborhood, but I've got two neighbors on my block alone who've been out of work for months now, one involved in a serious auto accident, the other ravaged by cancer.

I have it at work. Great!! Now what is it? How much? What does it cover? Sadly, if you pose that question to most clients they won't know and the conscientious planner should ask for the client's benefit booklet to make sure they aren't short—and many higher income earners are. Most often group LTD benefits are taxable upon receipt and have a monthly maximum. Even a robust plan might leave a mid- to high-level earner with a small percentage of normal take-home pay if they get disabled. Tough to maintain a high income lifestyle when disabled as it is, let alone with a small percentage of pre-disability income.

We've also worked with a number of advisors whose clients have described, "I have it at work," only to have reviewed their coverages and find out their work plan is a *short-term disability plan*. One that's built

for coverage of just a few months.

I can't afford it. Many times the client can afford proper coverage, they just don't want to afford it. This is where a holistic planner has a tremendous advantage, most often knowing the incomes and assets of the client inherently. And, even if one isn't, some probing questions can give general insight into how much the burden of the DI premium will really be.

It's important to point out, too, what it really protects. I think subliminally we send the wrong message as an industry to proposed insureds. A 40-year-old client sees a \$3,000 premium, let's say, and \$5,000 monthly benefit. Well, to pay \$3,000 to get \$5,000 doesn't sound like that great of a deal! But if we help that client understand that it's \$3,000 per year for \$60,000 per year of DI benefits with a potential in this case for well over \$1.5 million of total payout in a worst case scenario aspect (early disability)—that might carry more of an impact.

All that said, all the gurus, commentators and articles I've read say that the upward percentage of gross income a client will pay for a disability income policy is two percent. When running into a situation where an optimum DI plan exceeds that two percent number, consider tailor-making a plan that hovers around that mark. Longer elimination period. Shorter benefit period. Sacrificing policy riders. All can be effective ways to assure the client some protection. In the income replacement market, something truly is better than nothing and a plan that's in force at any level can soften the damage to a client's lifestyle because of an extended sickness or accident.

Schmitz

Ask questions. What is your backup plan for partially surviving an accident or illness that would've killed you 20 years ago, but with modern medical technology, you can now survive with a disability? Listen. Most people that do not have DI were never asked.

Petersen

Disability insurance is the most important financial safeguard an income earner can possess. If you were to become disabled and lose your income, how would you pay bills, kids' school tuition, all other insurance

premiums, mortgage, car loans, groceries, etc.? Even medical bills can be paid, provided there is a source of cash flow! Medical insurance does nothing for your living expenses.

Bloch

At our last three DI Days, speakers have discussed their disability claims experience. All have been different and range from a serious car accident, Achilles tendon rupture and subsequent infections, to a physician with shoulder issues. The discussions are far reaching and include financial, family, personal and other considerations. Our producers hear first-hand experience to better understand the personal and business struggles when a disability moment strikes. This experience also allows them to be more comfortable talking about income protection coverage and the importance of a monthly check to replace lost income. By discussing these claims stories with potential prospects, they can overcome many objections. Not all claims experiences were handled positively by some carriers. As a result, we created a Claims Concierge Service to help our policyholders with the claims process.

Q *Many agents deal with high net worth individuals — what advice can you offer to increase sales in the individual and high-income markets?*

Phillips

High net worth clients can be dicey to deal with from an income planning standpoint. Fundamentally, we can provide jumbo DI benefits via specialty markets. No issues or problems there.

However, high net worth clients might end up "outrunning the coverage of disability income protection" due to the nature of their business. Disability income insurance is built to "protect your paycheck" to coin the old DIAM slogan. Many high net worth individuals derive a high percentage of their income in passive income vehicles—rents,

dividends, etc. Those passive vehicles will continue to generate income regardless of the clients' health and involvement. Too high of a percentage of such income will lead to insurability issues.

One could argue that a *critical illness* policy could be offered to such individuals to address certain morbidity exposures. Disability income's cousin, critical illness, offers a lump sum payout due to diagnosis of many dread diseases, heart attack, stroke, etc. It doesn't have an earned/passive income criteria to get underwritten.

Schmitz

High earners are the market in CA. Focus on business owners and those who earn over \$80,000. In CA, SDI pays up to \$5,425 per month. It can be difficult to motivate lower earners when they have this government benefit. Fortunately, there are plenty of high earners out there. When they are married and have children they are the most motivated to protect their earned income, which provides for their family and maintains their lifestyle.

Petersen

Stress that those with higher incomes have more to lose and covering 40 or 50 or 60 percent of their income is not going to provide enough capital to cover the usual expenses of their affluent lifestyles. Those with higher incomes are not sufficiently covered by one, or even sometimes two, layers of DI. High-limit, excess DI is critical for high-net-worth clientele. The purpose of insurance is to keep what you have, not try and liquidate assets to pay for living expenses following a disability.

Bloch

The high-income market is the perfect market to discuss cash flow and tax liabilities. Many group LTD plans do not cover total income either because the stated monthly maximum is low or the plan covers salary only. To add insult to injury, many plans are employer paid and hence any benefits received are taxable. In the situation of high-income individuals, we provide a Group LTD Insurance Benefit and Tax Analysis identifying the net monthly income loss as well as benefit, tax, and health care premium solutions.



What tips can you offer to ease entry into the business DI market?

Cohen

Tip #1: You should know the business products that are available. Companies have designed many different products for business owners. Below are short highlights of some of the business products out there.

Business Overhead Expense (BOE): You may be working with a business owner who has seven or eight employees and the owner is the main thrust of the business. Without him or her, the business isn't going to function. In this case, you'd talk about a business overhead expense policy.

An overhead expense insurance policy helps insure the business owner's business expenses if a disability prevents them from working. It can keep the business afloat. And the list of expenses that are covered is quite extensive.

Disability Buy/Sell (also known as Disability Buy-Out Insurance): You may have sold an owner a life insurance policy to fund their buy/sell agreement. Well, you want to ask them, "How are you going to fund your buy/sell agreement for a disability?" Because disability buy-out insurance helps provide funds needed to purchase a totally disabled business owner's interest. So, you're using the insurance company—rather than you acting as the insurance company. That product is extremely important. Why don't more business owners have it? Simple. Because they just don't know about it. And why don't they know about it? Because many advisors aren't bringing it up.

Key Employee Replacement: There may be a situation where you go into an owner's business and you uncover that there is a key employee. This key employee could even be the owner if he or she doesn't own more than 50 percent of the business. (There are additional criteria that defines a key employee that you will need to know as well.)

The purpose of a Key Person Replacement

insurance policy is to help protect the business from the total disability of an employee who is extremely important to its success. This coverage helps minimize the disruption to a business if it loses a key person. Benefits are paid to the business and can be used as needed to help with new hiring costs, staffing needs and replacing revenue.

Business Loan Protection: When talking to a business owner, he or she may say, "I have a loan. We purchased more equipment." Or perhaps the owner reveals they've purchased another business. Your response is, "How do you fund that loan if you're disabled? Because I have a product that will help you pay that loan, per underwriting guidelines."

Tip #2: It's important to work with an agency like ours that trains, teaches, and helps you get familiar with the products.

Tip #3: So, how do you bring up business disability products to a business owner? You ask questions. Asking questions uncovers the need.

You can ask a small business owner to tell you the longest vacation they've ever taken. They may say two or three weeks. Ask them why they don't take longer. They'll tell you. They can't be gone longer. They have to watch their business. They have to make sure everything is done properly.

Tip #4: Where do you get the names? Where do you get the business people? You get clients through referrals. One business owner can refer you to another business owner. Also, look at your book of business. You know who is a business owner.

Cold calling works. A lot of people aren't calling business owners about disability income protection. You can buy a list of business owners and call them on the phone. Google the business beforehand to get an idea of how many employees the company has. You may have to make several calls before you get one appointment.

Tip #5: What are the types of businesses to seek out when calling about business disability insurance? These business products are needed by all kinds of different small businesses—law firms, medical practices, architectural firms, accounting firms, engi-

neering firms, small manufacturing companies. We have products for the blue-collar business market and white-collar businesses.

Tip #6: So, what do you say to the business owner? Whether you're talking to a longtime client or to a business owner on a cold call, you say you'd like to make an appointment to go over disability income protection with them.

During the cold call you tell the business owner that you work in the business market with business owners and you work in the area of disability income protection. You let them know that you have a policy that will provide them with an income if they can't work due to accident or illness.

Business owners have to protect their investment in that business. If that business goes under, employees can get another job. The owner? Well, he or she has a lot more to lose.

Most owners aren't working 40 hours per week. It's more like 60 hours per week. Plus, they never take long periods of time off. Without disability income protection, even a short time away from work due to a disability could be devastating to the life of a business.

So, a business owner's need for disability income protection is great. Business disability protection is going to protect their standard of living. It's going to protect their investment.

Tip #7: Remember, the owner may have a group LTD policy for his employees. You want to investigate that group LTD policy because that policy may only cover a small portion of the business owner's income. So, naturally, we'd have to put another policy on top of the group LTD policy to protect the owner.

Phillips

The obvious easy strategy is to bring up the concept to any business owners or group benefit relationships one might have. Have group LTD on an account? Look to see where the max benefits of the group LTD plan leave higher income earners short.

If an advisor works in planning for those who own their own business, simply ask if

they have benefits at the workplace.

In addition, one of the adages I adhere to is, "You are what you market yourself as." So a tip to get into the business market is to market yourself as someone who works in the Business DI Market! This might involve networking with benefits agencies, articles in local publications and websites, or even speaking to business organizations or professional insurance and financial planning associations. If you are seen in your market as an authority—if you bring up the concept to those in your sphere of influence, eventually you will be sought out as someone who can implement a strategy for a sound business DI plan (or even personal DI plan).

Schmitz

If you are already a financial, insurance, or benefits advisor, it is imperative to inform your clients about the existence of products that can help them manage the risk to their portfolios which may include business assets. Contact a DI BGA or DI specialist and have them provide you with training on business products. Start with Business Overhead Expense (BOE) to keep the business running, Disability Buy/Sell to buy out your disabled business partner, Loan Indemnification to pay the bank, and Key Person to pay the business when it loses a key person due to a disability.

Petersen

Use IDI sales as door openers. Once you have earned the trust of your personal DI clients, those that own businesses will hopefully be more open to seeing the importance of also protecting their businesses with buy/sell, key person, BOE and loan indemnification insurance. You have successfully protected their families, now ask them for the chance to equally protect their businesses.

Bloch

Many producers are looking for more daytime activity and the business marketplace is the perfect place to start. The DI marketplace needs more producers to discuss disability insurance and cash flow with business owners. The easy way to gain entry

is with guarantee issue coverage. This can be through the implementation of a group LTD plan, which only requires two or more employees. In addition, there are specially designed guarantee issue products to supercharge group LTD plans. Business Overhead Expense coverage is also a very easy topic to discuss as well. From this starting point, it will be a normal progression to implement high quality individual protection. 🌐

Eugene Cohen began his insurance industry career in Cleveland, OH, with a company that specialized in disability income protection.

In 1981 Cohen founded the Eugene Cohen Insurance Agency, Inc., Skokie, IL, which specializes in DI, life, LTCI, fixed annuities, and impaired risk cases. The agency is a member of LifeMark Partners, NAILBA, the IDIS and is a founding member of The Plus Group.

Cohen received the W. Harold Petersen Lifetime Achievement Award from the IDIS and NAILBA's Douglas Mooers Award for Excellence.

Eugene can be reached at Eugene Cohen Insurance Agency, Inc. Telephone: 800-333-4340. Website: www.cohenagency.com. Email: eugene@cohenagency.net.

Raymond J. Phillips, Jr., CLU, LTCP, is president of The Brokers Source, Ltd./Plus Group Pennsylvania, a full-service, independent insurance brokerage firm.

A past chairman of the National Association of Independent Life Brokerage Agencies (NAILBA), Phillips is past president of the Pittsburgh Chapter of National Association of Insurance and Financial Advisors, the Pittsburgh Association of Health Underwriters and the Society of Underwriting Brokers (SUB Centers). He has served on the board of the Pittsburgh chapter of the Society of Financial Service Professionals and is a member of the International DI Society, The Plus Group, The Marketing Alliance, SUB Centers, and the Pittsburgh Estate Planning Council.

Phillips can be reached at The Brokers Source, Ltd., One Forestwood Drive, Suite 111, Pittsburgh, PA 15237. Telephone: 412 847-0770. Email: rphillips@brokerssource.com.

Jack B. Schmitz, CLU, ChFC, CASL, is the president and CFO of Bay Area Disability Insurance Services, Inc., dba: DI & LTC Insurance Services. Since 1983, DI & LTC Insurance Services has distributed income protection products to the Northern California financial services industry. They provide training, marketing, sales and underwriting support to insurance and financial advisors throughout the bay area.

Schmitz is a graduate of CSUC with a B.S. in Ag Business. He received his Chartered Life Underwriter

(CLU), Chartered Financial Consultant (ChFC), and the Certified Advisor for Senior Living (CASL) designations from the American College in Bryn Mawr, Pennsylvania.

In 2002 Schmitz became the Northern California partner of The Plus Group, a national DI and LTC marketing organization with 25 offices nationwide. He is a past president of The Plus Group, NAIFA Marin, and the North Bay Society of Financial Service Professionals. He has served on the board of the Dixie Youth Soccer Association, the board of Senior Access, the board of Mission San Rafael Rotary Club, and the Field Advisory Board of Standard Insurance Company.

He has numerous articles published in several insurance trade magazines and websites.

In October, 2015, Schmitz became the 11th recipient of the W. Harold Petersen Lifetime Achievement Award presented by the International DI Society (IDIS).

Schmitz can be reached at DI & LTC Insurance Services, 4302 Redwood Highway, #400, San Rafael CA 94903. Telephone: 800-924-2294. Email: jack@di-ltc.com.

Kenneth A. Bloch, CLU, is president of The Bloch Agency. He began his career as an underwriter and then a group product sales representative and sales manager. He became the manager of the Charlotte, NC, individual DI brokerage office for a major carrier in 1983 and continued in this role until 1996. Since 1996, Bloch has been active in The Plus Group, having served as the president of the organization. He is a frequent speaker at regional and national conferences and has published several articles in insurance trade magazines and The Charlotte Observer. In 2007, he was awarded the Financial Advisor of the Year Award by the Charlotte Association of Insurance and Financial Advisors.

Bloch can be reached at The Bloch Agency, 5950 Fairview Road, Suite 225, Charlotte, NC 28210. Telephone: 704-643-0999. Email: Ken@Blochagency.com.

Thomas R. Petersen, MBA, RHU, HIA, FLMI, DABFE, ALHC, CFE, CHS-III, LPRT, is a senior partner of Petersen International Underwriters, a large underwriting firm specializing in disability coverage through Lloyd's of London. Their product line includes excess and special disability insurance needs, international medical insurance, kidnap ransom coverage, and numerous other specialty lines.

Petersen has written numerous articles and co-authored several books. A frequent speaker at local, state and national insurance organizations, he is a founding member and on the board of directors of the International DI Society. Petersen earned his bachelor's degree from California State University, Northridge, and his MBA in international business at Pepperdine University.

Petersen can be reached at Petersen International Underwriters, 23929 Valencia Boulevard, Suite 215, Valencia, CA 91355. Telephone: 800-345-8816. Email: tom@piu.org. Website: www.piu.org.