

## How to Convey the Value of DI: A True Story

BY ROSEMARIE ROSSETTI

Disability income insurance is arguably the most undersold product in the insurance industry. In my travels speaking to insurance professionals about the value of DI, I receive a lot of feedback from my audience that supports this claim. Despite its practical nature, DI is rarely brought up in discussions with clients, and many agents neglect the product as an essential part of their client's financial portfolio.

Your clients are unlikely to truly see the value of a DI policy until they need it — until they can no longer work because of a disabling accident or illness and don't know how to make ends meet. No one expects to be disabled, but everyone can make plans for their potential disability.

And on June 13, 1998, becoming disabled was the furthest thing from my mind.

### My story

While riding my bicycle on a trail in Granville, OH, a 3½-ton tree fell on me, leaving me paralyzed from the waist down.

At the time of my injury, I owned two businesses — a speaking/training/consulting company and a publishing company. My disability resulted in a prolonged interruption of business activities. I was no longer able to deliver speaking services or ship books. And when you own a business of which you are the sole employee, earned income completely ceases when you can no longer work.

I did, however, have DI coverage — for 11 years prior to starting my speaking business, I was a university faculty member, and my insurance policy was still in effect.

I always rode my bicycle with safety in mind and was wearing my helmet. As it turned out, my helmet was as valuable to me in saving my life as my

DI policy was in preserving my financial stability.

DI safeguarded my risk and provided me with an immediate source of income, allowing me to rebound more quickly from my crisis. The insurance also provided a safety net for my husband, Mark. We had enough to worry about with my injuries. Fortunately, we didn't have to also worry about how to replace my income.

### My perspective

Too many people haven't planned for their disability. Those who own businesses often think they can't afford DI, but business owners should look at insurance as a necessary overhead expense, not a luxury. They need to be reminded that they are the business and without them, their enterprise is in serious jeopardy.

Those who are employed need to realize that their greatest asset is the ability to earn a living. This should not be taken for granted. Income generates the funds needed to run a household, pay the mortgage or rent, buy groceries, fund retirement accounts, and pay medical bills and educational expenses. Without a paycheck or appropriate insurance to cover that paycheck, quality of life can rapidly deteriorate.

Hesitant DI prospects often state that they are "insurance poor." Yet they are poorly insured if they do not have a plan themselves for replacement income should they one day become disabled and unable to work. When a prospect tells you, "I just can't afford to buy this policy right now," your stock response should be, "Can you afford not to?"

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## 2 Top Tips for Selling DI Coverage

### Tip #1:

#### Share the statistics about the likelihood of a disability

Many people are reluctant to buy DI because they don't think they're at risk. They think the work they do and the lifestyle they lead are automatically protected. Statistics show, however, that the majority of long-term disability claims (75 to 90 percent) are due to illness and not accident. The likelihood of being disabled in any given year is much greater than the chance of dying.

### Tip #2:

#### Call more prospects and sell with conviction

Sales professionals realize that there is a direct positive correlation between the number of calls and appointments made and the number of sales completed. It is harder to find new clients and easier to sell additional products and services to existing clients.

Many insurance professionals indicate that life insurance is usually the first type of insurance sold to clients. With that in mind, there are many of your customers who purchased life insurance from you whom you should also contact about buying DI. It is my belief, in fact, that disability income insurance should be purchased before life insurance.

There are no alternative products to protect income should a tragedy occur. DI is unique and universally needed by those in the workforce. The more a person earns, the more they have at stake.

Selling with conviction means selling with an unshakable belief in what you are providing. You need to be convinced that the product you have is critically important to the prospect's financial, professional, and personal stability.

### ON THE WEB

It takes just five steps to build a hugely successful DI practice. Learn what they are at [www.ASJonline.com/nichols](http://www.ASJonline.com/nichols).

# How to Build and Maintain Client Loyalty During the Long-Term Disability Claims Process

BY JASON NEWFIELD

When it comes to filing long-term disability claims, the agent is very often the first point of contact. Knowing in advance which obstacles your client may face during the claims process will be important to maintaining a positive relationship with clients who may see you in an other than positive light, should problems arise.

The challenge you face is that disability insurance policies are very different products than their life and health cousins. By their very nature, disability claims are costly to insurance companies. As a result, the claims process can be challenging and often adversarial. By knowing what to expect and how to help your clients navigate what can become very stormy waters, you can enhance their trust and loyalty.

To give you a better idea of what your clients may face when filing a claim, here is a typical scenario, with an imaginary doctor we'll call Dr. V, a vascular surgeon with a net worth in excess of \$16 million. Dr. V, now age 52, purchased an own-occupation, long-term disability insurance policy during the 1980s, when he was a medical resident associated with a large teaching hospital. He has been an excellent client over the years, buying long term care insurance in his 40s, converting term policies to whole life, and insuring his two homes and numerous cars with your agency — a dream client, in every respect.

One day, Dr. V notices that his hands have a slight tremor, and while he continues to perform surgery and oversee a highly successful medical practice that includes two younger surgeons, six RNs,

when he needed to make a claim. This claim, however, will take you through a much more complex and problematic process than any other you've handled with him.

“ The challenge you face is that disability insurance policies are very different products than their life and health cousins. ”

and a support staff, he's becoming concerned with his ability to perform as a surgeon. He schedules an appointment for a complete neurological workup with a respected colleague. The news is bad — Dr. V is in the early stages of Parkinson's disease, a neuromuscular degenerative illness that will likely force him to abandon his career as a surgeon. Because he is concerned about his patients and the risk of malpractice, Dr. V decides he can no longer perform the delicate surgery in which he has specialized for so many years. He calls your office to file a disability claim. You send paperwork to his home, and the process begins.

At this point, a series of events takes place that will lead to several phone calls from a client who has, until this point, trusted you and counted on you and your company to be there

First, the “own-occupation” clause written into the policy in the 1980s is not the same as today's clauses. It clearly states that his disability insurance policy is there to protect his ability to perform in his own occupation. But on the claim form, he is asked to list his tasks and duties. How much of his time is spent in surgery, and how much involves managing his practice? Is his “own-occupation” purely that of a surgeon, or that of a medical practice administrator?

Next, his medical records. A diagnosis of Parkinson's disease for one patient may be vastly different in degree than another. Dr. V may have a slight tremor in one hand, or he may be unable to keep his hands, head, or eyes steady. There may be some question as to whether he is truly unable to perform surgery. The carrier will request a series

of evaluations, and they may ask Dr. V to undergo a functional capacity exam, a controversial test not required by the language of most contracts, but which has become a point of contention in many claims.

If Dr. V is upset about how this disease has impacted his life, he may show signs of anxiety and depression. However, if his doctor makes notes in the medical records to that effect, a problem may ensue. Even the most generous disability policies limit the time and benefits paid for mental or nervous problems. You will often see clients with organic physical illnesses who are so distressed over their illness that they become depressed.

It will be up to you to help your client successfully navigate these waters in order to maintain the good relationship that you have spent years, perhaps even decades, cultivating. Don't hesitate to help them in advance with the claims process. Knowing where the trouble spots are and preparing for them can make all the difference between a loyal client who continues to rely on you for help and an ex-client who is tangled in denials, delays, and litigation.

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