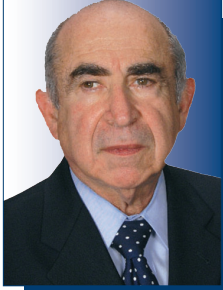


## Disability Insurance Insights...



**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, LTCL, 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.*



**MICHAEL  
COHEN,**

*CLU is president of the Eugene Cohen Insurance Agency, helping brokers, general agents, broker/dealers and financial advisors serve their clients.*

*Cohen has served on carrier advisory boards and organization boards of directors. He is a member of the Risk Appraisal Forum.*

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# 2019 New Year's Resolution: Monthly Reasons To Sell More DI

Since this is January, you may have already done your New Year's planning, but for many of us the new year is just beginning. So as a financial planner, what are your goals? Pick a few resolutions and see how your disability income business will thrive.

**Resolution 1:** Learn a traditional individual disability insurance product. Pick a product: Business Overhead Expense (BOE); Disability Buy Out (DBO); Key Person Disability; Guaranteed Standard Issue (GSI); Disability insurance products that can create a retirement fund for a disabled client; or just regular disability insurance. Call an MGA who has a DI specialist and set up an hour appointment to understand the product. Get the brochure, get the specimen policy, get a sample illustration and understand the product. **Your resolution:** Educate yourself!

**Resolution 2:** Make sure every working client in your portfolio of clients has a plan

if they had an extended recovery or never recover from the malaise of an extended sickness or accident. Walking through the exercise of what to do if there is no more, or a reduced amount, of income coming into the house is a good way to start the planning process. If each household were treated like a business, what would happen if that household generated no income and had a lot of expenses? How will your client and the client's family cope with no income coming into the household? Disability insurance is a clear solution to the problem for most clients.

Clients will tend to listen and work with professionals they've worked with in the past. Your client database is your best source of clients who need disability insurance. Discussing and planning for an unfortunate accident or sickness is critical for any type of financial planning. **Your resolution:** Educate your clients!

**Resolution 3:** Understand pre-under-

writing before you order another quote. There are many steps in helping a client obtain disability insurance and the underwriting process is a major part of it. Understanding the red flags of underwriting can help you pre-qualify clients who can obtain this important product.

*Health pre-screen.* It's pretty obvious this is important. Most advisors have general health questions they ask. Be sure to ask about muscular-skeletal issues (knees, back, hips...etc). This is often missed, as life insurance underwriting is less concerned about these issues. Also, mental-nervous medications and any type of talk therapy (marriage, family, personal, etc.) can be missed as well. Make sure to ask questions about all of the issues above, as they are often a source of exclusions in the underwriting offer. Disability insurance underwriting is different than life insurance in that the disability insurance underwriter has the ability to exclude or limit coverage on specific medical conditions. The ability to recognize this upfront and educate the client can be crucial when delivering a policy that contains such exclusions or limitations.

*Occupational class pre-screen.* Make sure when you order your quotes that you have a good visual image of what your client does on a weekly basis. Be sure to ask the approximate percentage of administrative, supervisory, sales, and manual duties. If there has been a change in occupation, make

sure you know when the change occurred and if the new job was related to the old job or a different occupation/industry all together.

*Financial pre-screen.* Underwriting for a disability insurance policy involves financial underwriting. The larger the case, the more proof of financials will be needed. Make sure you understand your client's net income, not gross income.

If your client is an employee it's usually the W-2, but for clients who are also owners it can be more involved. Essentially, you need to know the total earned income on which they are taxed. Also, if your client earns a 1099 they are considered self-employed, so it's important to know their net income. In addition, if a client is new to a position, newly self-employed, or earns income based on commission or bonuses, even more questions are needed. **Your Resolution:** Know what questions to ask when obtaining a quote for disability insurance.

**Resolution 4:** Talk about disability planning at least once a week. It's just like the old saying—out of sight, out of mind. Don't trust your memory that you'll eventually discuss this product with a client. If you stop talking and thinking about disability insurance planning, then most likely you will forget to talk to your clients about this important part of planning. Build a reminder on your calendar to pop up on

Monday morning: Talk about disability insurance this week. You can build this to come up every single week by using the reoccurrence feature. Set it up once and you can get a reminder every week. Put up a picture on your office wall that will trigger you to remember to talk about disability insurance. It can be a picture of a para athlete who inspires you or it can be a picture of anything that is inspirational that reminds you of how tenacious people get through hardships. Take a copy of the front page of your own disability policy and put it in a picture frame for your desk. **Your Resolution:** Remind yourself to talk about disability insurance planning.

**Resolution 5:** Make sure **you** have disability insurance coverage! I'm sure you've heard the story of the shoe cobbler whose children have no shoes. In our world, it's the financial advisor who doesn't have any disability insurance coverage. It's amazing when we run into financial advisors and insurance agents who do not own coverage or do not understand the limitations of their own group policy. Discuss your own situation with a trusted IDI specialist and make sure you are covered. It's healthy for you to go through the process so that you can share your experience with your clients. **Your Resolution:** Do your own disability planning.

From all of us to all of you, have a happy and healthy new year! 🌍