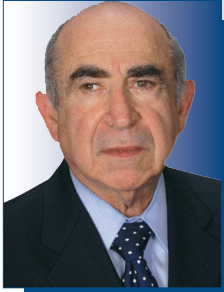


Disability Insurance Insights...



**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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Individual Disability Insurance: The Need Sells, The Illustration Quotes

When recommending disability income insurance to a client, many advisors are confronted with one or more of the four basic buying objections: *No Need, No Confidence, No Hurry and No Money*. Usually the most challenging objection to overcome with a client is the *No Need* objection, when to the advisor, the need is so obvious. Let's explore more about how to address the *No Need* objection.

There are many things that people *need* to buy and certainly there are many things people *want* to buy. I *want* to buy a new TV or a round of golf on the weekend. Disability income protection insurance is a product that most clients *need* to buy and

don't necessarily think about buying it until an advisor recommends the product.

Income is a need, as we all need money to pay for our day-to-day basics such as food, rent, taxes, utilities, car payments, clothing, etc. In fact, if you calculate a monthly budget, most of your clients will have fixed expenses of thousands of dollars every month. Some will have more than others, but the number is substantial.

It may help a client to visualize a bridge with all the above needs being held up by the supporting beams. If the supporting beams break, crack or become unsteady, the bridge, and everything on it, will eventually

collapse. Your client's paychecks are the supporting beams of any budget and financial plan. If the paycheck were to disappear the bridge would collapse. This would be a catastrophic event for your client and your client's family.

Your client has to understand the importance of their income. In most cases, it's their most valuable asset. Who is protecting your client's paycheck? For most clients, if there is no paycheck, then they will experience a lot of hardship. It's hard for a client to go from having income to pay bills and expenses to having no paycheck to pay for the same bills and expenses. In addition, for many clients with health issues, they will actually find their fixed expenses increasing due to additional health care costs and higher deductibles. It's a full blown conundrum--more expenses are coming in, but there is no paycheck or income being produced.

It's essential to only present the actual disability income insurance product presentation when you are fully convinced your client understands why this product is needed. You never want to discuss a solution to a problem...that a client doesn't understand is actually a problem.

Asking questions—the right questions—uncovers the need.

How important is your earned income?

In most cases, you will find that future earned income is the client's most important asset. For example, a thirty five year old earning \$100,000 a year without any

increases or inflation factors would earn, in a 30 year period, \$3,000,000. As we know, a sickness or injury could wipe away that income and that is a problem.

What is the longest vacation your client has ever taken? How long do they normally take? How long have you taken?

Most clients will answer two weeks, maybe three. When questioned why they only take a two week vacation most answer that they have get back to their job or business. If an injury or illness were to take them away two or three years, or longer, that of course would be a problem.

If you have no income, what expenses do you plan on eliminating first, second, third...etc?

One of the most important questions on a mortgage application is: What is your income? Mortgage companies do not want foreclosures. They require you to pay your mortgage whether you are working or not and whether you are in good health or not. When your income stops due to sickness or injury, the mortgage and other bills must be paid.

Go to www.LifeHappens.org to see stories of real people and the events that have changed their lives. Please click on the videos and disability stories. Hearing these real life events is so important for advisors. It's amazing how many clients have been helped because their advisors recommended disability income protection in their financial plan.

One story that has resonated with so many in our office was the story of Bill, who was 32 years old when he became disabled. Bill was on his way to his mom's house when a car crossed the median and hit Bill's car head on. Bill suffered body traumas as well as chronic short term memory loss which made it impossible for him to return to work. Bill was very fortunate that his advisor understood the need for disability coverage and was able to show Bill why he needed to buy coverage at such a young age.

The story resonates with many because he was so young when he became permanently disabled. He was fortunate to have an advisor who recognized that young adults who are just starting the wealth building process have a dire need for disability insurance.

As an advisor, it's important that you too have disability insurance. What is your plan if you can't work? Who is going to pay your bills? We know the importance of disability insurance, as being in this industry has shown us to expect the unexpected. It's important to plan for the twists and turns that tomorrow can bring.

Remember that bridge we discussed in the beginning of this article? When questions are asked and you have discussions with your clients, your clients will become more aware of the need for disability income protection.

You have the solution to keep that bridge sturdy and your client's financial plan strong. 🌐