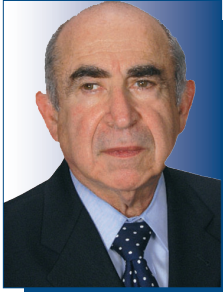


Disability Insurance Insights...



**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, 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.



**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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An Interview With Eugene Cohen

*2009 Honoree International DI Society's
W. Harold Petersen Lifetime Achievement Award.*

*2015 Honoree of NAILBA's
Douglas Mooers Award for Excellence.*

From time to time we will feature an interview with Eugene Cohen, who has dedicated over 57 years of his life to learning, teaching, and supporting brokers in the agency's quest to help consumers protect their incomes from the tragic effects of a disability. With the help of Victor Cohen, we will chronicle many of Eugene's life lessons, advice, strategies, and what drives him every day to mentor those who wish to help their clients protect their incomes. Disability insurance is one of those products that can change the trajectory of an individual and a family's life and is crucial for every financial planner and insurance pro-

fessional to learn about and offer to clients.

This is the second part of our ongoing series with Eugene Cohen, CEO and founder of the Eugene Cohen Insurance Agency, Inc. The agency started as a disability insurance brokerage MGA and has grown to over 35 team members who are all focused on the wholesale service needs of financial professionals for disability, life, long term care, and annuities.

Victor: In our last conversation, which appears in Broker World's November 2020 issue, you mentioned four different objections advisers may face when discussing individual disability insurance with a cli-

ent: No Need, No Money, No Hurry, and No Confidence. Which of those objections would you say is the most important for an adviser to answer?

Eugene: The “No Need” objection must immediately be addressed—before it even becomes an objection. If the client realizes the need for disability income protection, they are going to want to buy the product. The more time spent on need, the more likely the other three objections will evaporate as the client truly understands the reasons that Disability Insurance is so important.

Victor: Are there specific occupations you suggest advisers focus on, where clients may more easily or naturally see “The Need” for disability insurance?

Eugene: Many advisers like to present disability insurance coverage to physicians and doctors of dentistry because individuals in these occupations recognize the need very quickly. They often see patients and/or train on medical conditions that can disable people. They see the devastating financial effects of a disability almost every day!

If a surgeon or dentist loses three fingers—they know the very likely unfortunate outcome. That career is done. So, it’s very easy to present a disability insurance policy to them.

Also, a physician or dentist is often in a hurry to buy disability insurance. So, they want to purchase it very quickly. This product is so important, especially for those who see people suffering from disabilities.

Victor: I can see how a physician or dentist would clearly see the need to protect their income. How would you help an attorney see the need for DI?

Eugene: Well, if the attorney loses three fingers, the lawyer can likely easily work and not have a major problem. Yet, attorneys learn about personal injury law; they are trained on how to calculate lost wages as part of a settlement. When a client sees and understands disabilities, they know they too can become disabled. So, we have to look at what could disable that attorney. What could prevent him or her from working in their occupation?

Prior to every appointment, when pre-

senting disability income protection insurance, we have to design what we are going to say, and tailor make the conversation to address the client’s specific occupation.

We know there are many illnesses and injuries that may affect a person’s short-term memory. Can you imagine if an attorney lost his or her short-term memory? Or what if they had Parkinson’s disease, multiple sclerosis, a mental disorder, or a serious back disorder?

What if a trial attorney had cancer of the larynx and couldn’t speak? He or she may be out of work. These are the things we have to look at. What will disable that attorney? Some of the illnesses/injuries that could end, or seriously affect, an attorney’s ability to earn an income, may be different than the illnesses/injuries that may disable a surgeon or doctor of dentistry.

Attorneys are excellent DI clients because most of them, like medical professionals, understand the need. Many lawyers earn large incomes that need to be protected.

Victor: So, what about the adviser who doesn’t have medical professionals or attorneys as clients? What other types of clients do you suggest advisers focus on?

Eugene: Disability income protection is the foundation of any financial plan, regardless of anyone’s occupation. Whether the client is a doctor or an electrician, truck driver, factory worker, plumber—they all rely upon income.

If a client earns \$30,000 or \$35,000 dollars per year, they still have the same problem as someone making \$300,000 or \$350,000 annually. They still have to pay bills when they are disabled.

The only difference is you have to work on adjusting the premium so the premium is something the client earning \$30,000 per year can afford.

For example, maybe it is better for some prospects to be insured for a shorter elimination period of 30 days (instead of maybe 90 days), with a shorter benefit period of two or five years (instead of to perhaps age 65 or age 67). This may be something that can better fit into some clients’ budgets. Also, with a shorter elimination period, the client will get their benefit sooner. (This

is very helpful to clients who don’t have adequate savings.)

Victor: I know that you feel strongly about small business owners needing disability insurance. How do you discuss the need for DI coverage with these prospects?

Eugene: Small business owners are excellent DI clients. I have given many presentations to business owners who employ eight to ten people. The small business owner has a major problem if he or she can’t work. They have a tremendous investment in their business. Not just an economic investment. An investment in time, passion, long days and often long nights and weekends. Also, the business owner is providing an income for their employees. These employees have families who are relying on that business to stay open and to be profitable. The business owner has an incredible amount of responsibility and liability.

Victor: I’d think business owners immediately see the need for DI.

Eugene: Not necessarily. I have had business owners say to me, “I can run this business with my eyes closed.” I am sure he or she never tried that. Or they may say, “There aren’t many things that can disable me.” Well, I always like to ask the small business owner, “What’s the longest vacation you’ve ever taken?” Their reply is usually, “Two weeks...a week...” I will then ask them, “Why don’t you take a longer vacation?” They answer, “I can’t afford to. I have to watch this business.” Small business owners are often working 50, 60 hours per week or more.

As this client’s adviser, I’d ask, “If you had a sickness or accident that lasted two or three or five years, would that create a problem?” Most business owners would see their life savings and business disappear quickly.

Victor: Other than doctors or other high earning professionals—who may more easily see the need to protect their income—what are some general questions an adviser may ask clients working in other occupations who may be earning a more moderate income?

Eugene: I suggest asking, “Is your income important to you?” After the client

answers, "Yes," I would ask, "What are you doing to protect that income?"

Victor: That does get straight to the heart of it.

Eugene: This policy works when you can't work due to a qualifying claim. It's your silent partner. When you get the prospect to understand they need the product, they are going to be interested in it. If your client doesn't understand that they need it, then don't waste your time going over the policy.

Victor: So, let's say a prospect does understand the need to protect their income, but they say they don't need an individual disability insurance policy because they already have group long term disability insurance provided by their employer.

How do you answer that potential "No Need" objection?

Eugene: I would ask them, "What does your group policy cover?" The client often doesn't know. They haven't taken the time to read it. I will offer to review their plan with them.

Group LTD (Long Term Disability) or Group STD (Short Term Disability) can be a wonderful supplement to an individual disability policy. Many professionals have both group LTD and their own individual disability insurance policy.

Victor: And what would you say to a client who may not have group LTD from work, but already has their own individual disability insurance policy? How would you handle that potential "No Need"

objection?

Eugene: I would ask the client when they last had their individual disability insurance policy coverage reviewed. The client's income may have grown substantially since they first took their policy. They may be ready for additional coverage.

It is common to layer a new individual disability policy on top of an already existing DI policy—if the income allows it. It's always about doing what is best for the consumer. That is always rule number one.

Victor: Thank you for another very insightful and inspiring conversation. Unfortunately, we have to wrap it up for now. I look forward to us doing this again soon. To be continued! 🌐