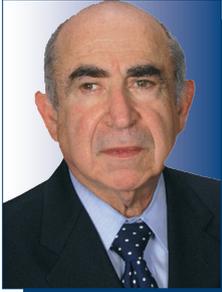


Disability Insurance Insights...



**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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2023 Disability Insurance Goal Setting And Opportunities

A new year, a new set of goals for 2023. Let's start with goals that are reachable for the various types of financial service specialties.

Opportunity Number 1: You! This should be the easiest goal to accomplish and the most important one. A successful producer should own a disability policy on themselves. First, it's the right thing to do. If you couldn't work, how long could you really last financially without making some really hard choices? Having the cost of your fixed living expenses covered should

at least be considered at the bare minimum. When you jot down your budget and your expenses, what needs to be paid every month in order for you and your family to maintain some semblance of your standard of living? Next, going through the application and underwriting process will give you a better understanding of the experience your client would go through as well. In addition, many companies offer producers discounts on themselves and the commission helps to offset the costs.

Opportunity Number 2: Low hanging

fruit and current clients. Your clients like you and like doing business with you. While every client who is still working and building their wealth needs a disability policy, there are certain clients who tend to buy disability insurance more than others. Those are your clients who are professionals (physicians, dentists, attorneys, and accountants, etc.) and business owners who are making in excess of \$100,000. Many of these clients have the need and the excess income needed to buy an individual DI policy. Think about how many clients you supported with various insurance products and planning over the past year. Did you ask about disability insurance? Did you ask them what their strategy would be if they couldn't work and had to live off their current savings? How many of your clients can actually live off their current savings?

Opportunity Number 3: Commercial P&C clients. Let's think of a disability as another peril that you need to protect for your client. How many business interruption or workman's comp policies did you write or renew in 2022? Did you discuss with that business owner or professional what would happen if they had a major car accident, an accident at home, or had to take off work to focus on their health? There are so many sicknesses that can disable a person. In fact, there are more people on claim for sickness than for accidents. If a disability were a peril that was mandated to be covered, then everyone would need

to buy this policy. Unfortunately, disability insurance is optional but one of most important for every client to have in their portfolio. Your professional and small business owner with business interruption should also be looking at business overhead expense coverage as well.

Opportunity Number 4: Life buy-sell or loan clients. Most producers will have clients who needed life insurance coverage to insure the obligations they have assumed in their business operations agreements or a business loan. Many of you have clients who have sought you out for life insurance for these needs. Many business owners don't realize that the majority of business agreements contain a disability provision that details the process of buying out a disabled owner who can no longer work. Hopefully, the disabled owner has their own disability income policy to provide them income after they are forced to cede their interest in the business to another owner(s). Many advisors miss the opportunity to discuss disability buy-sell insurance with the clients they just assisted on the life insurance. Same goes for those clients who reached out to you for life insurance loan coverage. If these clients couldn't work due to a career ending disability, does the bank still want to get paid back? Of course they do, as would any creditor. They don't care if someone is working or not as long as that client meets the obligations of the loan.

Opportunity Number 5: Group LTD and

group life clients. If you work in employee benefits, then you know that the primary enrollment season just finished up and you can start to focus on some of the other parts of your business. Don't miss the excess disability insurance to layer on top of the LTD. While group disability insurance has its benefits, most of the time the benefits are taxable and are capped at a certain maximum per month. We just had a case with 25 executives who were either capped based on their income or would have a coverage gap due to the taxes. For example, a client with 60 percent to a cap of \$6,000 per month of LTD may only end up with \$3,500 to \$4,500 per month, give or take, due to the Federal, State, and possibly some FICA as well. This gap can be made up by layering individual disability insurance on top of the group. In the case we mentioned earlier, since there were 25 lives involved, we were able to obtain a guaranteed issue disability program. In fact, depending on the company, you can go down to as low as five lives and still get a guaranteed issue individual disability program to layer on top of the group LTD.

The opportunities in your current block of business are really endless. It's a matter of recognizing the need and working with a wholesaler/MGA that specializes in disability income insurance planning. Let's have an awesome 2023!🌍