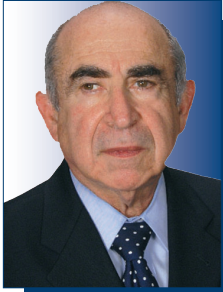


Disability Insurance Insights...



**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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Disability Insurance: Your 2024 In Review And Your 2025 Business Planning

We hope everyone had a great holiday season and a Happy New Year! This is one of the best times of the year to review business successes and some not-so-successes of the past year and do some planning for the year to come. When it comes to your discussions about disability income planning, how do you feel?

How was your year 2024 when it came to sharing awareness about disability insurance with your clients? Well, it probably depends on what area of insurance you are most focused on every day. So let's go

through some of the different areas of focus that we tend to see with producers.

Employee Benefits Producers: Were you able to discuss with clients how the caps in group LTD can reduce the percentage of income covered for the high income earners? For example, when a member of a group LTD income exceeds the maximum cap, then the net effect is a lower percentage of income being covered. So instead of those member(s) getting the full percentage of income covered, the cap will reduce the true percentage of income covered. An individ-

ual disability policy can help to close some or all of that coverage gap. If you weren't able to discuss this concept in 2024, then let's think of the LTD clients you helped in 2024 and which ones had members whose income exceeded the cap as listed in the LTD policy. This creates a great opportunity to discuss this gap throughout 2025.

Life Insurance Focused and Personal lines Producers: Go back through 2024 and think about the clients you met with about their life insurance planning. Were you able to also talk about how life insurance planning can be loss of income planning? In reviewing a family's income planning, it's important to understand and plan for a loss of either spouse's income. The loss of income is key in this planning. If the loss of income is due to one's passing, then the life insurance can be an essential planning tool to replace that lost income. You've probably had these conversations dozens and dozens of times throughout the year. Were you able to continue the conversation beyond the loss of income due to a spouse passing? Sometimes having a spouse unable to work due to a serious injury or sickness can be even more economically straining for the family. When a spouse can't work, then their earned income will usually end up stopping as well. This is why disability insurance planning goes hand in hand with the life insurance planning that is designed to replace income. If you weren't able to talk to those clients about disability income

planning, then there's a great opportunity to call them on or before the life insurance policy anniversary or when doing a follow up from the recent life insurance purchase.

Commercial Lines / Life Producers / Employee Benefits and those that work with business owners: If you go back through 2024 and think about all those sales opened or deals closed during lunches, golf or hunting outings, dinners and office visits to your business owner clients, were you also able to suggest a meeting about business disability planning? If not, you'll have time to make it one of your goals in 2025. Think about the businesses you insure in which your client is so important to the business, that if they were unable to work the business could collapse. For example, a dentist, accountant, engineer, architect, interior designer, veterinarian, attorney or store owner, etc. When a client is a business owner that is the main creator of revenue for a business, then there's added risk to the business. Regardless of if that business owner can't work due to a disability, the expenses of the business will still roll in. Payroll still needs to be paid, the rent, utilities, and all the other fixed expenses need to be organized and paid. If you weren't able to talk about Business Overhead Expense insurance, then you have a great opportunity throughout 2025.

All areas of focus: Business Continuation Insurance is a topic in many fields of insurance. How does the business continue if an owner suddenly passed away? If the call

tomorrow was that the owner passed, what is the business continuation plan? If there's an explosion at a business, how is that business going to be rebuilt and what type of P&C insurance did you recommend? Were you able to touch upon the same planning concept if one of the owners were to end up disabled, they were never able to come back to work or even communicate in the future? Most buyout agreements have provisions in case a partner becomes disabled, but most don't have it funded with disability buyout insurance. If you were unable to talk to your clients about having a disability insurance buyout review, to make sure all is up to date, then you have a great opportunity this year to have that discussion. In addition, you can talk to them about any key people in their office that create substantial revenue for the business. When you ask a client how important they are to the business, they may know they are the most important or they may explain how they mentored or brought in someone else, and they are the key person that drives revenue. If the latter is the case, then there's additional risk to the business if the key person was unable to work. This gives you the ability to suggest a further conversation about key person disability insurance.

Remember that planning for what occurs if a client is unable to work due to a disability is so important for everyone.

We hope everyone has an incredible 2025.🌍