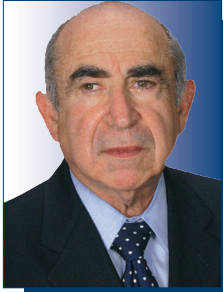


Disability Insurance Insights...



**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.

Eugene and Michael can be reached at Eugene Cohen Insurance Agency, Inc. Telephone: 800-333-4340. Website: www.cohenagency.com. Emails: michael@cohenagency.net; eugene@cohenagency.net.

Combo Your Life Sales With Disability Insurance

Your clients are both 30 years old, just had their first child, and now need some life insurance. You show the couple \$1 million of 20, 25 and 30-year term. You discuss the value of permanent insurance and you show some very compelling facts and figures. At the end of the day, your client chooses a 25-year term for about \$560 per year and you start the application and underwriting process. Awesome! Your client was approved without a medical via an accelerated underwriting process and you e-deliver the policy a couple of weeks later, make your client system notes, add some

follow up dates for future reviews and move on to the next client.

A few months later, the same client runs into an old school buddy and within a few weeks they find themselves playing golf and catching up on old times. The old friend happens to be in the financial service business as well and the conversation turns to planning and protecting the family. Your client tells his friend how easy it was to buy some life insurance and what a great job you did with the process. The old friend starts to ask about how much disability insurance was recommended, and your

client says, "Disability insurance, how does that work?" Within a month, your attorney client has a \$5,000 per month DI policy with comprehensive riders for about \$1,500 in annual premium.

Fortunately for your client, in this hypothetical scenario, the other producer was able to secure a critical part of basic planning for young professionals and business owners. Unfortunately for you, the only product you sold was the low-cost term insurance and you missed the larger sale of the disability insurance. In addition, traditionally, a disability insurance sale will pay renewals for the next 10+ years, while, with the majority of companies, term insurance will just pay a first-year commission and no renewals. While the income generated is a fantastic reward, more importantly the disability insurance is based on morbidity rates versus mortality rates—which means that most of your younger clients have a statistically greater chance of being disabled than passing on during most of their working years. The disability insurance is a triple win product! It's a win for the consumer,

a win for the consumer's family, and a win for the producer.

Everyone who works needs disability insurance while they are building their nest egg. While the need for this important product is great, not everyone can add it to their portfolio based on their combination of income and expenses. As a client's income increases over their fixed expenses, then that client has more flexibility to spend, save, and invest. So, depending on a client's fixed expenses, the crossover point will vary. The greater the fixed expenses, the higher the amount. For example, a client with three children and a large house will have more fixed expenses than a client who has one child and needs a much smaller house.

In general, we have found from personal experience that professionals, such as doctors, dentists, certain other healthcare workers, attorneys, engineers, accountants, and salespeople and business owners, making about \$80,000 or more, are more likely to proceed with purchasing robust individual disability insurance policies.

For those with lower incomes or more

manual duties there are less robust individual disability policies still available to provide protection—but perhaps without as long a benefit period. Also, the definitions may not be as comprehensive or the monthly benefits as high.

So, when presenting the life insurance, combo the presentation with disability insurance. If the timing isn't right for the dual presentation then take a look at the life application after the life insurance is placed. As part of any life insurance policy, the application is part of the policy. This gives you the ability to review the life application to see if you feel the client is a possible candidate for individual disability insurance.

In addition, the medical part of the life underwriting can assist in some of the field underwriting needed for disability insurance. This includes, but is not limited to, providing information about medicine being taken and historical medical care that may have been needed.

So, the next time you are working with your clients, be sure to order the combo meal! 🌍