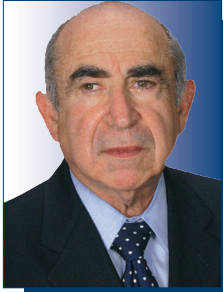


Disability Insurance Insights...



**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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From Property And Casualty To Disability Insurance, Clients Need Protection From Loss

While the language and contracts of property and casualty products are different from those in the disability insurance world, the spirit of these two worlds can overlap. We are not licensed in property and casualty insurance, nor claim to know the intricacies of the policies. But we've bought plenty of policies though, for both commercial and personal purposes, and there's a common theme. It's all about protection.

We meet with a lot of different producers in all different specialties of insurance and financial services. Many of them have told us that they bring up a client's need for disability insurance by including a page about

this product in every presentation. The concept is about protecting assets and creating financial plans. The biggest asset we all have, and the foundation of any financial plan, is our ability to work.

Homeowners coverage will assist in rebuilding our homes if they are destroyed by a covered condition in the contract. In most cases, a home isn't the biggest asset someone has to insure. The ability to work and pay the mortgage is our biggest asset. Say the cost of a home was \$500,000 and the income of the primary earner is \$100,000. If the primary earner is age 40 and plans to work until age 65, then their potential earnings would be over \$2,500,000. Of

course, this doesn't include inflation and increases in income. Nonetheless, the pure numbers give you a great idea of the value of future earnings.

Why do you think a client doesn't buy disability insurance? Usually because their producer doesn't present the idea or concept to their client. In fact, if you sell personal lines, how many times have you discussed with your client the need or concept of disability insurance?

It would be unusual for a client not to want to insure their home. In fact, for most, it would simply be unthinkable. Yet many clients will leave their income and future income exposed to the hundreds of sicknesses or types of accidents that could leave someone unable to work.

Anyone who owns a business needs liability insurance and most likely other types of insurance to protect the business. But many business owners leave out the biggest asset the business owner has to protect and that's their personal income. For example, take a dentist with four employees. If that dentist can't work due to an accident, injury or

sickness, then how will his personal income be affected?

In fact, that dentist, and many small business owners, have tremendous liability that many producers completely overlook. When a small business owner commits to a lease payment, that payment needs to be made regardless of the owner's ability to work. If the business owner wishes to retain the employees while hopefully recovering from an injury or sickness, then the employees need to be paid. The expense to run a business can be hundreds of thousands per year if not more! And many producers do not let their clients know about Business Overhead Expense disability insurance (BOE). This insurance could literally save a business from its demise if the small business owner were unable to work.

Ask your client, "What would be more damaging to your small business, a flood or your ability to work in that business?" We are sure there could be examples of equal devastation, but the spirit of the question is that the ability to work is extremely important to any small business owner.

If you work in commercial lines and work with small businesses owners, when was the last time you discussed the importance of BOE insurance? You'll be surprised once you start to ask the question to your clients. "What's your business plan if you were unable to work while trying to recover from an injury or sickness? How would your business revenue or income suffer?" If the revenue or income would decrease due to the business owner's absence, then there's usually a need for BOE insurance.

Take advantage of your ability and need to conduct an annual review of property and casualty insurance products and review your client's life and disability insurance needs as well. It may be as simple as confirming the beneficiary designations for the life insurance while asking if your client's personal and/or business expenses have changed, perhaps requiring the need to increase disability insurance coverage. The mere asking of these service type questions is often enough to start the conversation about the importance of these products. 🌐