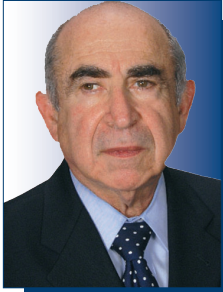


## Disability Insurance Insights...



**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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# Why You Should Make Disability Insurance Your Everyday Product!

Of course we are biased, as we are a disability centric MGA/wholesaler, so we feel everyone should be presenting individual disability insurance every day. But why would we be so emphatic about disability insurance and why should you be too?

We all sell income replacement: Life insurance is an income replacement product. Of course there are many uses for life insurance in business and estate planning, but the majority of applications many of us

see are very simply term insurance. Life insurance is a wonderful concept, someone works and provides an income to their family. That person ends up passing on way too early, and the spouse or family that relied on that income can be left in a lurch. When we hear about someone passing on with dependent children, we always say to ourselves, "Boy, I hope they had life insurance."

When completing an application for life insurance, the company needs to know the person's income... Why is this? If the

insurance is for income replacement, the underwriter will use a multiple of income to determine how much coverage can be issued to replace the income.

### **Life insurance is different, as it's easier to sell**

We occasionally will hear this from some producers, "Life insurance is easier because everyone knows they are going to die." In actuality, everyone also gets disabled before passing on. We just don't know how long that disability will last. It could be a few minutes, could be a few hours, a few days, a few months, a few years or decades. Disability planning and the underlying insurance should be just as easy of a conversation.

### **Disability is a must conversation**

Regardless of your main product, the conversation about a client's game plan if they can't work is a must. Many clients will spend more time planning a vacation or wedding than they do planning for a possible personal tragedy. The conversation is essentially, "Tell me what are your plans if you could no longer work due to an accident or chronic illness?" From there, listen and take notes. Regardless of where

the conversation leads, every sale starts with a conversation. Everyone actually has a plan, whether they know it or not. If they bought insurance to cover their risk, good for them. If they hadn't even thought about it or chose to roll the dice and go without insurance, they are essentially self-insuring the risk. Regardless of the outcome, having this conversation is healthy for your clients and even more healthy for you and your practice.

### **Disability insurance is an everyday product**

It's important for you to make this disability planning an everyday conversation and everyday product you quote. Income planning is the cornerstone of any financial plan, whether formally or informally planned out. You can have some fun with the planning as well. While the conversation is definitely serious in nature and a must to have, it can also be approached in many different ways. One of our favorites goes like this: "If you couldn't work due to an accident or illness, and had to be at home to recover, you're going to need a few things: You'll need a roof over your head, so let's cover the mortgage or rent.

You'll need your electricity, gas, water, so let's cover the utilities. You'll want to watch TV, so let's cover your cable and/or internet. You'll want to eat and order in some pizza, so we'll need some money for food. So, at a minimum, we'll need to cover "x" amount so that you can at least hang out at home, watch football, order pizza and be able to wash your hands and brush your teeth." If you do that exercise with most people, you'll notice that the amount of coverage needed is typically about \$3,000 to \$6,000 per month at a minimum. Of course, most clients have more fixed expenses, such as the cost of cars, insurance, clothes, and childcare costs are just among the few additional fixed expenses that clients need to cover. In addition, many producers just ask us to run the maximum someone can obtain based on their income.

While producers may have varying opinions regarding how to work with clients to determine the amount of coverage needed, we would probably all agree that having the conversation needs to be a daily occurrence.

How will you make disability insurance a daily conversation in your practice?🌐