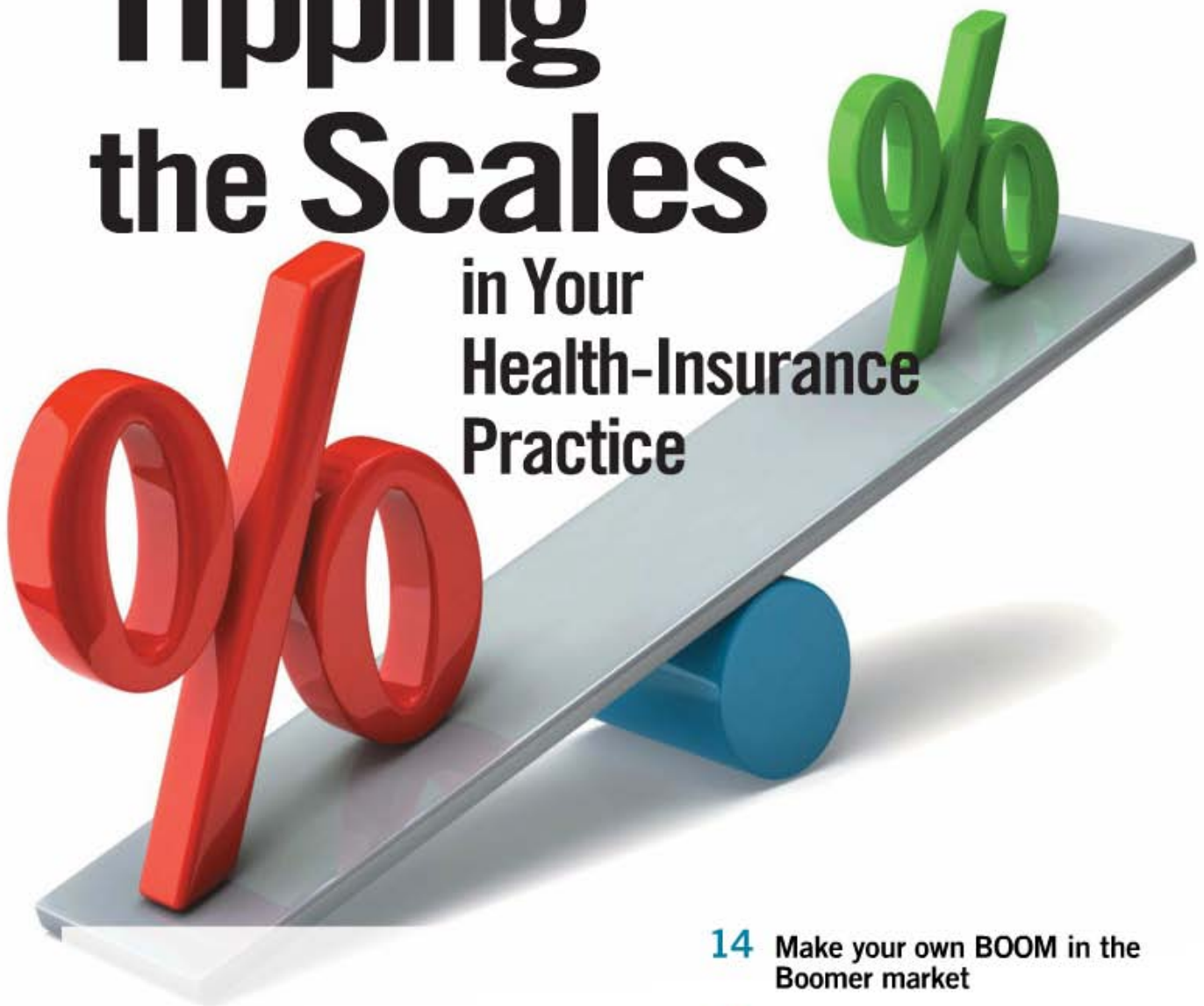


NAIFA's **advisor** Today

Creative strategies and business advice for insurance and financial advisors

Tipping the Scales

in Your
Health-Insurance
Practice



- 14** Make your own BOOM in the Boomer market
- 40** The nuts and bolts of retirement planning
- 60** Prospecting your way to success

CONTENTS



p. 23

departments

PRACTICE SPECIALTIES

FINANCIAL PLANNING

14 BOOM!

Master products, prospecting and promotion, and you'll make your own BOOM in the Boomer market.

— *Tom Hegna*

MASTERING THE FUNDAMENTALS

16 There's Always a Reason to Call

Contacting your clients' beneficiaries regularly can boost your financial practice.

— *Kevin M. Lynch*

realLIFEstories

20 Couple Thanks DI Insurance for Their Financial Security

After unexpected illnesses, DI insurance preserves a family's lifestyle.

— *Palmer Price*

LONG-TERM-CARE INSURANCE

23 Rising to the Long-Term-Care Challenge

The solution is to use the same techniques that spark success with other products.

— *Steve Cain*

FINANCIAL PLANNING

39 What Wealthy Women Want

To achieve success, financial advisors must behave more like consultants than like salespersons.

— *Ayo Mseka*



p. 25

PRODUCT SPOTLIGHT

DI INSURANCE

25 Selling DI to Entrepreneurs

Let them know that with DI, they can control their destiny, their business and their future.

— *Edward Tafaro*

LIFE INSURANCE

29 An Effective Approach to Selling Life Insurance

Use the Human Life Value concept to get your clients to obtain the insurance they need.

— *John W. Crane*

MANAGING YOUR PRACTICE

TECHNOLOGY

50 Increasing Productivity in Your Agency

With VoIP, you can work from anywhere and never miss a phone call.

— *Kallen Gonzales*

Call for Four Under Forty Nominations

Help NAIFA honor its best and brightest by nominating outstanding members for *Advisor Today's* 2012 Four Under Forty Awards.

To nominate someone, complete the form on Page 57, and fax or mail it to the fax number or the mailing address listed on the form. Or you can nominate someone online by visiting www.naifa.org or www.advisortoday.com.



p. 60

SALES AND MARKETING

SALES IDEAS

58 Tips for Sales Success

Imagination and communication may be just what you need to turn prospects into clients.

— *Ayo Mseka*

PROSPECTING

60 500 Clients in Your First 5 Years?

It's not about numbers—it's about prospecting.

— *John W. Greene*

in every issue

8	FROM THE EDITOR
10	VIEWPOINT
12	NEW PRODUCTS
46	INDUSTRY TRENDS
48	NAIFA GOVERNMENT RELATIONS
51	NAIFA NEWS
62	THE LIGHTER SIDE OF LIFE
63	ADVERTISER INDEX
64	BACK PAGE

DISABILITY INCOME INSURANCE

Selling DI to Entrepreneurs

Let them know that with DI, they can control their destiny, their business and their future.

What can happen to a business if a key player is forced to drop out without warning? The implications can be horrendous—everything, from liquidity problems, maintaining momentum, leadership issues and customer confidence, not to mention the disabled executive's personal and financial well-being.

Based on an analysis of what's at stake, the solution would seem to be a no-brainer: *Make sure adequate disability coverage for the equity partners is in place and is part of a buy-sell agreement.*

But while this may seem like a commonsense answer, it appears as if only a small minority embrace it. Arguably, most top executives have seen or read statistics suggesting that the chances of becoming disabled are greater than those of dying.

But basing the case for having proper DI insurance on statistics not only misses the point, it's also ineffective in moving those who need it to action. Why is this enormous risk ignored when those most affected are adept at managing risk in other aspects of the enterprise?

The answer may be painfully obvious. Simply knowing the possibility of disability doesn't necessarily lead to action. For example, a life insurance agent may include DI and life insurance in a proposal involving a buy-sell agreement. Yet clients often say, "We'll go for the life insurance, but we don't think we need the disability. It's too expensive."

Although many entrepreneurs think of themselves as "tough-

Basing the case for having proper DI insurance on statistics misses the point.



minded," they can be as subject to tuning out what they don't want to hear as anyone else, even when it runs contrary to their "hard-nosed" posture. For example, when it comes to turning down a DI proposal, they might mention one or more of the following reasons:

- "The figures on becoming disabled are less than convincing. They're all over the place."
- "Most of the disability surveys are produced by insurance companies, those who have a vested interest in the sales."
- "You can talk about the prevalence of disability, but I don't know anyone who has been seriously disabled."
- "Our business is liquid enough that this is not a worry."
- "I'd rather take our chances and use the same money to make money."

So what does it take to move beyond what seems to be a dead

end? Rather than trying to get over the hurdle, a more prudent approach is to understand the entrepreneurial profile.

A study by the Cox School of Business at Southern Methodist University can be helpful. It involved 200 successful entrepreneurs (who were in business for at least five years and had gross annual revenues of at least \$1 million). Based on the results, here are some of the characteristics of entrepreneurs, as described by Judith L. Slick Smith:

- **Healthy:** They are used to working long hours, and if they get sick, they recover quickly.
- **Control:** They want to be in charge and are willing to take responsibility.
- **Unusual awareness:** They grasp situations completely and recognize all the implications in a decision.
- **Conceptual ability:** Problems and chaos don't bother them

because they can quickly posit solutions.

- Emotional stability: They can handle stress in business and in their personal lives. Setbacks are challenges, not defeats.
- Challenges: Welcome challenges, but not risks. It may appear they are taking high risks, but in reality, they assess risks thoroughly.
- The numbers: They understand their financial position at all times.

As the analysis suggests, entrepreneurs are tough-minded and confident. Therefore, to attempt to convince them to do something that runs contrary to the way they view themselves may be little more than an exercise in futility—and that includes purchasing DI insurance.

To pursue such an approach only forces the entrepreneurial mind to challenge the validity of the salesperson's contentions. Once that happens, it's time to stop the presentation and put the iPad away. Pushing harder only creates even more pushback, as will attempts to persuade through fear.

A more productive strategy

A more effective approach may be to begin by establishing a common ground, which includes dismissing the question of how likely it is that someone will need this protection. For healthy people, such an argument is futile because no one can prove it.

In fact, the conversation might include making it clear that the entrepreneur may never become disabled, and even raising the question: If there is no disability, wouldn't the money spent on the policy be wasted?

The answer is no. DI *preserves what entrepreneurs value the most and why they're in business: control—control of one's destiny, control of the business, and control of the future.* Taking a chance on becoming disabled is something the entrepreneur can handle, but the

possibility of losing control may be a far greater threat.

In an interview some years ago, Dr. Robert Cialdini, the author of *Influence: the Psychology of Persuasion*, noted that what's worth thinking about is what we have to offer "that our clients, our customers, our vendors, our distributors, whoever it is we're trying to influence, can't get if they don't move in our direction. What is it that we give them that they lose if they don't say yes to us?"

Then Dr. Cialdini adds, "Loss is more powerful [than gain]....People want to know what they stand to lose." For an entrepreneur, it's the possibility of losing control. Couple that with the fact that the largest asset most entrepreneurs own is their business, and you can usually make a sale. □

Edward A. (Ted) Tafaro, president & CEO of Mahwah, New Jersey-based Exceptional Risk Advisors, LLC, is an expert on high-limit specialty life, accident and disability products for clients with extraordinary insurance needs, including celebrities, athletes, entertainers, highly compensated executives and professionals. Contact him at 201-512-0110 or at ted.tafaro@exceptionalriskadvisors.com.

