

Unit 3: Helping Your Prospects to Buy – The Sales Interview

Pre-Class Assignments

- Read this unit and complete the quiz.
- Print and review [DI Sales Concepts That Work \(Pub3978\)](#). This piece contains a number of visual concepts—with scripts—to help you in the sales interview.
- Familiarize yourself with the [Income Protection Analysis Worksheet \(7148\)](#) in the Appendix.

Unit Purpose:

The purpose of this unit is to give you an introduction to the recommended process for selling individual Disability insurance. The unit will review the steps of the interview process.

Unit Topics:

Section I: Fundamentals of Selling DI

Section II: The Sales Interview

- A. Discover the problem
- B. Analyze her real or imagined options
- C. Design the appropriate solution
- D. The Close - Take action

Section III: Managing Expectations

Section IV: Managing Objections

Section V: Competition

Unit Objectives:

After you have completed this unit, you will be ready to conduct a sales interview with the objective of selling a DI policy. The sales interview will include:

- Developing the client's trust
- Discovering the client's need for DI coverage
- Demonstrating the need to the client
- Reviewing the possible solutions to the client's need
- Designing the appropriate solution
- Closing – taking action to advance the sale
- Managing the client's expectations
- Managing the client's objections

Section I: Fundamentals of Selling DI

You now understand the importance of disability income insurance and have begun to learn about our personal disability insurance products. But for this knowledge to be of any value you must learn how to sell DI.

But what does “selling” really mean? ***Selling is not something you do to someone. It is a collaborative process in which you help your prospect to buy.*** And your prospect buys because you have helped him or her to discover a problem (need), to analyze the options, to determine the best solution, and to take action. You are, in short, a valuable resource to your prospects and clients, not a mere salesperson.

Help Your Prospect To Buy: What keeps people from buying disability income insurance? We can find some answers in a study from LIMRA International, a research and consulting organization supported by life insurance companies. LIMRA researchers conducted an in-depth survey of consumers who had seriously considered buying DI over the previous two years. The results were published in a report titled “U.S. Buyers and Non-Buyers of Disability Insurance (2011).”

A majority (56%) of those surveyed had, in fact, decided not to purchase DI. Why not?

- More than half of non-buyers found it difficult to make a decision. They either wanted to think about it more, or they had trouble determining if DI was worth the money, how much coverage they might need, or what the policy details and options meant.
- Secondly, non-buyers felt that DI was too expensive or otherwise unattainable;
- Nearly one-third of non-buyers felt they didn’t need DI.
- The most common complaint, especially among undecided non-buyers, was a lack of follow-up during the decision making process.

On the flip side, people were more likely to buy if they understood how much coverage they should buy, and why. And not surprisingly, buyers expressed greater trust than non-buyers in their agent in the advice they were given.

What does this tell us? You must educate your prospects and help them through the buying process. Focus on the problem—not the product. Help your prospect understand why earned income is important, and why he or she needs income protection.

- Demonstrate how much coverage the prospect should have and make a clear recommendation about what they should buy. This means that you must understand any group disability insurance that he or she may have.
- Explain clearly the important policy benefits. Remember: “Features tell but benefits sell.”
- Recommend the package of benefits you think the prospect should have, and explain why.
- Put the premium in perspective by demonstrating the value of the benefit vs. the cost of coverage. And compare the potential cumulative benefit vs. a small monthly premium.
- Be persistent and stay in touch if your prospect is still undecided.

Above all, keep it simple. Keep your prospect focused on the important issues. Appreciate the fact that consumers view disability insurance as a complex product and they can easily get overwhelmed. Adopt the attitude that you are not so much “selling” DI as helping your prospect to buy DI coverage to suit his or her unique situation.

Section II: The Sales Interview

So how do you sell a product to people who don’t know they need it? Keeping in mind the above principles, let’s learn the basic steps of the DI sales interview. Your job is to help the prospect to do five things:

- Discover the problem.
- Analyze his/her real or imagined options.
- Design the appropriate solution.
- Take action.
- Manage expectations.

Throughout the interview you must get your prospect actively involved in a collaborative process. Recognize that a prospect has several questions— probably unstated—that must be answered before he or she will take action:

- Do I have a problem?
- How serious is it? Is it serious enough for me to do something about it?
- Which solution is best?

The **Income Protection Analysis Worksheet in the Appendix** is a terrific tool for helping you to gather the important facts of the client’s personal situation (closed-ended questions). It includes items such as employer benefits, savings, investments, indebtedness, spouse’s employment. It includes a number of strategic questions to help guide your interview.

Also, as you work through this unit you should refer often to **DI Sales Concepts That Work**. This piece will show you how to engage your prospect and illustrate critical concepts at each stage of the sales interview.

A. Discovery

In the first stage of the interview your objective is to help your prospects discover and acknowledge several things:

- The importance of their ability to earn an income,
- The threat that a serious disability would pose, and
- The financial and emotional consequences of a disability.

To put it in other terms, the prospect must become disturbed by the prospect of not receiving his or her regular income due to their disability.

The most effective way to begin is to ask questions that get your prospect engaged in the problem, for example:

“What do you consider to be your most valuable asset?”

Most people immediately think of the things or financial assets that they own. But isn't the ability to earn an income truly a working individual's most valuable asset?

Over the course of a working lifetime, earned income can be considerable, as we demonstrated in Chapter Unit 1. Earned income is the very foundation of any financial strategy. It supports your prospect's standard of living, or lifestyle, by providing the means to pay the expenses of daily living. A portion of that income also goes into building the wealth that will make possible an abundant future.

An Important Tip: To understand your prospect you must have him or her tell you in concrete terms why income is important.

- What does he want for himself and his family?
- What kind of future does she envision?
- What are his financial objectives now and in the long run?
- What does she want her money to do for her?

People are much more likely to purchase a product or service when they see how it can help them get what they want—not just “meet a need.”

Next question:

“What would happen if you were too sick or injured to work and earn that income?”

One's expenses will continue, or perhaps even increase because of things like additional medical costs. Instead of having a surplus to invest each month, one would have to draw upon savings and investments to meet ongoing expenses. The result is that wealth can quickly be drained away, jeopardizing one's plans and goals for the future.

Isn't it bizarre that we insure so many of the assets we have accumulated— home, personal property, autos—but fail to protect the income that make them all possible?

It is critical to make the discussion personal. Ask questions such as:

- How would your life be affected?
- How would your family be affected?
- What would happen to your career goals, your plans for your children, your long-range financial goals?
- How would your partners and the business itself be affected if you could never work again?

Here are some questions that Peter Magni (long-time DI Inner Circle producer in Wellesley, Massachusetts) asks of his clients:

- How long could you pay your bills without a paycheck?
- What would you do if your income suddenly stopped?
- What risk transference vehicle do you use to protect your income?
- How much coverage do you have under contract to protect from a loss of your income?

Although most people are reluctant to acknowledge it, one's income is vulnerable. For working-age people the risk of a serious disability occurring before age 65 is greater than that of dying – on average, four times as great*.

Most people don't believe this, or they feel that a disability won't happen to them. They associate serious disability with accidents or dangerous occupations.

You must acknowledge your prospect's reluctance to accept the possibility of becoming disabled ("I'm young and healthy," or "I'm in a low-risk occupation"). In fact, bring it up before it becomes an objection. Using stories or personal experiences is the best way to bring home the reality of how devastating a disability can be. If you do not have a personal story, use one of the **DI Claim Stories**. *The Claim Stories are actual stories from some of our claimants about how they became disabled and how Guardian individual disability insurance helped them to lead the lifestyle they wanted. These stories also show how features become benefits. They are a selling tool—more than just meeting Carol and Scott, but rather showing how the policy works.* We have to "make it real" for our prospects.

Statistics alone will not convince them to buy DI. That is why the emphasis should be on the consequences of disability. But it will help you to know things like this: more than 90% of all serious disabilities are not caused by accidents (as most people imagine), but by illness. You should know the most common causes of disability (see the chart in Unit one), and keep in mind that it doesn't necessarily take a life-threatening condition to render one incapable of performing his or her job for an extended period of time.

* Gen Re Disability Fact Book 2013-14, Risk of Disability vs. Risk of Death, pg. 47 (2012 Field Guide to Estate Planning, Business Planning & Employee Benefits, by Donald F. Cady, copyright 2012, The National Underwriter

As a reference, take a look at the following table of actual paid claims*:

Occupation	Gender	Age Policy Issued	Age At Disability Claim Onset	Diagnosis
Surgeon	M	31	33	Bacterial meningitis
Attorney	M	32	34	Skull fracture
Dentist	F	35	36	Malignant breast tumor
Accountant	F	35	37	Carotid Artery Dissection
Dentist	F	39	42	Multiple sclerosis
Manager	M	38	42	Myeloid leukemia
Executive	M	40	44	Lung disease
Radiologist	F	42	47	Malignant breast tumor
Obstetrician	F	45	48	Colon cancer
Business Owner	M	44	49	Parkinson's disease
Orthodontist	M	43	49	Stroke
Optometrist	M	53	56	Stroke
Physician	F	55	60	Malignant thyroid tumor

B. Analysis

At this stage you must help your prospect to think through real or imagined alternate sources of income:

- Is it realistic to think that sources such as savings and investments, borrowing, family, or Social Security will provide adequate income replacement?
- How long would savings or investments last?
- Would your prospect really want to invade his retirement or college savings account to keep the family afloat?

The **Sales Concept** "Where will the money come from?" shows you how to help your prospect analyze the (mostly bad) options.

Use questions like these to lead the discussion about group LTD:

"Are you comfortable letting your employer decide how much income you should receive, when it should start, and long it should last?"

"Could you really live on less than half of your current take-home pay?"

"Do you feel comfortable "renting" your income protection?"

* Claims paid for by Berkshire Life Insurance Company of America, a Guardian company. Every claim is unique and must be evaluated on its own merits. Elimination Periods vary. The diagnosis of these medical conditions alone does not entitle an individual to disability benefits. A person's eligibility for benefits is determined on a case-by-case basis according to the terms and conditions of their policy.

One of the most popular ways to communicate these ideas to a client is to tell them, “how much, how soon, and how long?” How much will their benefit be? How soon will they receive benefits following a disability? How long will they receive benefits?”

Many of your prospects will have group long term disability coverage through their employer. But almost certainly they do not understand how it works or how much they would receive. You must help them understand that group LTD alone is inadequate, and you must help them do a realistic appraisal of what their employer’s plan will provide. See the Appendix for the Income Protection Analysis worksheet—and learn how to use it. The worksheet is probably most effective with prospects who are “analytical.”

It often isn’t possible to replace an employer-sponsored group LTD plan, especially if the employer is paying the cost. But when working with upwardly mobile prospects who have group insurance, you will find in almost every case that there is room to supplement the LTD plan with individual insurance. It pays to write even a small policy—and add the Future Increase Option, to protect future salary increases, or to guarantee insurability if your prospect leaves his or her current employer.

C. Designing the Solution

At this stage you help the client design the appropriate disability insurance solution to maximize their protection. Here are the basic questions people want answered before they buy:

- How much will I receive if I become disabled?
- How soon will I begin receiving payments?
- How long will payments last?
- How much does it cost?

Of course, there is much more to an individual DI policy. Obviously you must understand our products in order to explain them effectively. But be sure to avoid the tendency to talk merely about policy features or to use “insurance” language. A prospect does not want to be overwhelmed with jargon or technical terms.

It is critical to translate features into benefits for the client, e.g. what the true own-occupation definition of disability means to a client. ***It is vital to make sure he or she understands how much their monthly benefit will be and how much of their lifestyle and their dreams of the future will be supported.*** Use stories to demonstrate how the policy and riders work. When necessary you can use resources such as **The Intelligent Choice for Disability Income Protection** (Pub4929BL) to help explain policy benefits.

Remember: “Features tell but benefits sell.”

What array of policy options should you recommend? Newer agents especially have the tendency to “dial down” the recommended coverage to fit what they perceive the client can afford. Don’t do it.

As a Guardian representative, your philosophy should be to optimize your client's protection. Recommend what you think the client truly needs. If for example your client wants to take out lifetime benefits or the COLA rider, let that be his or her decision.

In the DI business we often refer to "monthly benefits" and "annual premium." In presenting the "cost" of coverage to your client, however, this is not an effective way of putting the premium in the right perspective. It is better to talk about an annual benefit vs. a monthly premium. Most important, emphasize the potential cumulative benefit of the policy—an accurate measure of the risk being assumed by the company

D. Managing Your Client's Expectations

Most people assume that, as with other types of insurance, applying for DI is a mere formality. This is not the case. Nothing is more frustrating than spending time discussing disability insurance, only to discover during the application—or during underwriting—that your client has a medical problem that will lead to an exclusion, rating, or outright decline.

You must manage your client's expectation in this regard, by stressing that people have to qualify medically for disability insurance. Then you should "pre-qualify" him or her to determine if a problem is likely to arise. Doing so also lets you begin to prepare your client for the underwriting process. Ask a few simple questions before getting to the application.

Asking these questions will put you out front on any medical underwriting issues and help you avoid surprises for yourself and your client. You never want to submit an application and wait to "see what happens."

Pre-qualifying questions suggested by our underwriters:

- Are you currently taking any prescription drugs?
- Have you had any hospitalizations or surgeries?
- Do you have any chronic conditions?
- Have you seen a doctor, chiropractor or therapist recently?

Our underwriters issue most DI policies as applied for. There are cases, however, when a medical exclusion rider or premium rating is necessary. But just because you suspect the client may not receive a "preferred" policy, this should not be an excuse for declining to take the application. Ask yourself: does the client still need the coverage? If you're not sure whether to proceed to a full application you can submit an Underwriting Inquiry form (C-UNDINQ-2003) (ask your DI Specialist for a copy). This is a short form that allows the underwriter to look at your client's medical condition and determine whether it makes sense to proceed to a full application.

In addition, it is also important to recognize uninsurable occupations and duties. If you have any questions about the insurability of a client's occupation or duties, discuss the details with your DI Specialist.

E. The Close—Taking Action

Closing is merely asking for a decision to take action and should flow naturally. If you have shown that you can create value for your prospect and he or she understands that, then it's time to close. The most natural way to close may be simply to state that "to get started, we have to complete an application." Then try this question (courtesy of DI legend Kenneth Wylie): "Can you think of any reason that we shouldn't proceed?"

If at this point you hear something like "I'd like to think it over" or "I'll talk it over with my spouse," you should treat this as any other objection discussed above.

Recognize that it's natural for a client to want to think about such an important decision. ***If the client expresses this idea, rephrase the prospect's statement and ask what questions he still needs to consider. Try to determine what questions remain to be answered, and what it will take for him to proceed with the purchase.*** (By the way, you are always in the strongest position if both the client and spouse participate in the sales interview). Only by discovering the real questions that remain can you move to a close. ***By giving careful consideration and credence to the client's concerns, you continue to increase the client's trust in you and the likelihood of a completed sale.***

The following are techniques that successful salespeople use to maximize the chances for success:

- At the beginning of the interview state what you want to accomplish and obtain agreement. In other words, set the expectation that your prospect will be asked for a decision. Without a goal in mind, the sales interview will be little more than a visit.
- Get your prospect actively involved in the discussion of the need for income protection, the personal consequences of disability and the solution.
- Throughout the interview communicate your belief and passion. They will be contagious.
- Ask trial-closing questions throughout the interview to get opinions (look for positive responses). Examples: "Is this feature important to you?" or "What do you think about this?" The idea is to obtain a series of positive responses on small points during your discussion. Listen to and reinforce your prospect's responses. Then you will find it easier to obtain a "yes" when you ask the prospect to take action.
- Emphasize value: benefits vs. costs.
- Ask your prospect to buy only when you strongly believe his or her needs will be met.
- When you ask for a decision, remain quiet until your prospect responds.
- Above all, recognize that you are doing a disservice to your prospect if you do not ask him or her to take action. Only by taking action can your client win.

Finally, understand that successful closes do not result from manipulative tactics. They result when you do a professional job and create value for your client.

Feedback: For those interviews that do not close successfully, ask your prospect for feedback. For instance, say "Apparently, (prospect's first name), you've made a decision not to purchase disability insurance today." (This relieves the "pressure.") "Was your decision based on the product, perceived lack of need, or something about the process?"

Seeking this feedback will help you to improve your sales skills, build respect from your prospect, and will probably even give a clue as to what may motivate him or her to buy in the future.

Follow-up: As the LIMRA survey noted earlier in this unit, many non-buyers continue to consider disability insurance, and are even likely to buy in the future. For this reason you must stay in touch with your prospect (and state that you will do so at the end of the interview) to provide him an opportunity to reconsider the value of DI.

Section IV: Managing Objections

In a good sales interview many common objections will never even arise, as you will have acknowledged and dealt with them early in the interview (e.g. “most people can’t see themselves becoming disabled...”). But even the most seasoned agent encounters objections. After all, any successful human interaction is give-and-take.

You must expect—and welcome—objections during the sales interview. Objections can be valuable signals. When the prospect brings up points which are not clear, or of which she is not convinced, she is telling you how to help her decide to buy.

Quite often objections will come up because you have not focused on the problem, but talk too much about the product. Think about how confusing it can be for a client to start hearing all about every detail of such a complicated product as a DI contract! It’s almost like trying to sell a mutual fund by dissecting the prospectus.

Remember: You are not “selling” disability insurance. You are helping your client to buy it. If he or she understands and has truly internalized the problem, serious objections are far less likely.

Tips for Effectively Managing Objections:

- Bring objections into the open so that you have a complete understanding of them.
- Don’t take objections personally. Listen objectively and keep your ego in check. Do not allow an objection to draw you into an argument.
- Carefully listen to the objection, then rephrase it back to your prospect before responding, to check your understanding. People are more willing to “change their minds” if they feel you are really trying to understand them.
- Let your prospect tell you how to best solve his objection.
- Try the “feel, felt, found” formula: “I understand how you feel. Many people like you have felt the same, until they found...”

Type of Objections

Objections generally fall into one of three groups: No Need, No Money, No Trust (or relationship).

“No Need” Objections:

- “I’ve never been sick in my life. It won’t happen to me.”
- “My work isn’t hazardous.”
- “My salary will continue” or “I know my employer will take care of me.”
- “I can carry my own insurance.”
- “I’d rather put my money in the bank.”
- “I’ll use my savings if I’m disabled.”
- “I have group disability coverage.”
- “Why buy insurance? My business can afford to pay me while I’m disabled.”

DI Sales Concepts That Work will help you manage all of these objections. Again, you must learn how to use these concepts at appropriate points in the interview.

“No Money” Objections:

- “I can’t afford it.”
- “It costs too much.”
- “I’d rather direct my money into other things.”

If you are working with qualified people these objections indicate that the prospect—notice that we do not say client in this context—has not bought into the value of disability insurance. You may occasionally have to show a younger client how to find the dollars for the premium (or use the graded premium option for significant cost savings in the early years of a ProVider Plus contract).

“No Trust” Objections:

- “I have a friend in the business.”
- “I have never heard of your company.”

These two objections should arise early on, when you are meeting a prospect for the first time. If they happen to arise later in your interview they are probably not genuine. In this case they indicate that you have not established sufficient trust or rapport with the prospect.

Then there are the objections about the prospect being able to get coverage cheaper.

Competition:

- “I can buy it at a lower cost from XXX Company.”
- “I want to compare your proposal with another company’s.”
- “I can get a policy through my professional association.”

There is a natural tendency for people to want to feel like they are getting the best deal; therefore they may express an interest in shopping around. Of course you could show competing proposals. From a product-feature standpoint, though, you can be confident that ProVider Plus is the best the industry has to offer. Other products may be less expensive, but DI contracts vary significantly in wording—and the contract wording determines the benefits. Your prospect should want the best solution. Nobody should ever want the low-cost bidder when it comes to parachutes, life preservers, brain operations, or disability insurance!

Occasionally you really will be in competition with another individual DI product or an association plan. In this case you must find out what product is being proposed. Get a copy of the competing illustration (or association plan brochure) and contact your agency's Disability Income Specialist. Berkshire provides exceptional competitive support, and we can give you the tools to compare ProVider Plus to virtually any other product on the market. The bottom line is that the best disability policy to own is the one that pays the most benefits in the greatest number of claims scenarios.

If price IS a major concern for the client, consider several options for responding:

- Start at a lower monthly benefit amount and add an FIO rider,
- Offer a graded premium payment option
- Offer a ProVider Plus Limited illustration alongside the ProVider Plus illustration and walk the client through the differences.

Section V: Summary

Practice the Interview

It goes without saying that, to be successful, you must not only understand the steps in a disability insurance sales interview—you must practice them. Adequate rehearsal is necessary for a smooth and natural performance in any endeavor. There is no substitute. Role-play the interview with your colleagues and your trainer. Above all, practice it with real prospects—the best practice there is.

Finally, keep in mind:

1. Your belief is critical to success. In the words of industry legend Ben Feldman: "People buy not because they believe but because the salesperson believes."
2. Adopt this philosophy: "I have a professional responsibility to discuss disability insurance with my clients."
3. Remember that you are not selling disability insurance to your prospect. You are helping your prospect to buy it.
4. Keep it simple. If your prospects don't buy the concept, the details are irrelevant.
5. In order to be truly effective you must own what you are trying to sell.

Quiz: Helping Your Prospects to Buy

1. Why are people generally unwilling or unable to acknowledge the chances of becoming seriously disabled?
2. According to the study by LIMRA International, what are three reasons people do not buy disability insurance?
3. During the sales interview you must help your prospect to answer three questions. What are they?
4. In terms of managing objections, which of the following techniques do you consider the most important?
 - a. Listen carefully before responding, then rephrase the objection to check your understanding.
 - b. Bring up the “objection” yourself before the prospect does.
 - c. Keep the focus on how competitive ProVider Plus is.
 - d. Acknowledge that “others have felt the same way, until they found...”
5. People are turned off by agents who demonstrate a true passion for the products or services.
 - a. True
 - b. False
6. Why must you help your prospect understand his group LTD plan?
 - a. Because his group plan is worthless.
 - b. Because it helps you and him to design the most appropriate income protection plan.
 - c. I don't need to. If my prospect has group coverage he's all set.
 - d. Because it helps him to see the shortcomings of his group LTD plan.
 - e. (b) and (d).
7. Why do people have two ears but only one mouth?

