

RFS News

Real Fast Service
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WHY DO LIFE AGENTS ONLY SELL LIFE INSURANCE & WHY DO HEALTH AGENTS ONLY SELL HEALTH INSURANCE?

Increasing competition in the insurance industry has spurred many agents to find new ways to keep their clients satisfied. One solution is to offer your clients multiple products such as Life, Health, and Critical Illness.

Please allow me to begin by explaining how amazed I am at how many Health Insurance agents will only sell Health Insurance. When in all actuality they would provide added benefits to their clients and increase their own commissions by simply adding Critical Illness or Life Insurance to their existing book of business.

For the clients benefit; let's say I had a 35 year old male, his spouse that was 33 years old, and they have 2 children. They wanted a Comprehensive Major Medical with 80/20 co-insurance, a \$1,500 deductible, doctor's office co-pays of \$40, and a nice prescription drug plan. Their total monthly premium would be \$592.48. However, if I could convince them to raise their deductible to \$7,500 a month, their premium would only be \$313.33 a month. With the \$279.15 a month I saved them a month in premium, I could offer them the Critical Provider from GTL (Guarantee Trust Life) that includes \$20,000 worth of Term Life Insurance and Critical Illness protection on the parents and \$10,000 on the children, with return of premium for only \$1.63 a month. In this scenario I would still save them an additional \$197.52 a month as opposed to a traditional Comprehensive Major Medical Plan. The \$20,000/\$10,000 Critical Illness would coverage almost all of the medical impairments that would cause them to have to meet the \$7,500 deductible and the 80/20 co-insurance, as well as provide the client with a cash back option. (The Return of Premium benefit would refund \$18,765 to your client in 20 years).

For the agent's benefit, if I had sold the Comprehensive Major Medical for \$592.48 a month, my advanced commissions would have been \$1,173.11 (22% commissions + 9-month advance). Now with the higher deductible I would get paid \$620.39 from the Comprehensive Major Medical plan and \$697.94 from the Critical Illness for a total of \$1,318.33. That's an extra \$145 paid to me as the writing agent.

In turn I am no less amazed at how many Life Insurance agents will sell a Life Insurance policy to a client and never continue their relationship with their client past the usual Christmas and Birthday cards, and occasion to go back for referrals. Now don't get me wrong, you really should keep contact with your clients in that respect, but why not try to turn those contacts into additional sales? Let's face it they have to like you in order to buy from you in the first place, and obviously you have a repertoire with them.

So now let me ask you this, "If you have a client likes you enough to buy a Life policy from you, and does not have health insurance through an employer, why wouldn't you want to help protect him?" Are you scared to make the extra commissions? Are you nervous about the "Ends & Outs" to health insurance? That's why there is usually extensive product training involved with all health insurance.

In fact I have seen some savvy agents go in and add Critical Illness as a rider to all of their Life Insurance policies. They sell it based on the fact that for everyone that dies from natural causes 85% of them will have a heart attack, stroke, or cancer and will live at least 2 years past the initial onset. Once they have the client sold on the Critical Illness they offer to show them how they can now raise their deductible on their Health Insurance, and not worry about it because of the Critical Illness benefit. Thus in the same way, they can save their clients money, and still make a higher commission for doing so!

Also by cross selling you will find leads to be in more abundance. That is to say that when mortgage leads are short that month, you can go after more health leads, and when those are in short supply you can fall back on final expense leads. Now let me ask you how good do you feel about a lead that you can turn into 2 or more sales? For example let's say you get a Life lead, and when you call it's actually someone wanting to insure themselves, their spouse, their children, and the live-in in-law. I personally love those leads! So how much happier would you be with a lead that you could turn into a Life, Health, and Critical Illness sale from just one lead?

If you have any questions, comments, or concerns please call me at 770-968-5757, or toll free at 1-877-968-5757. Our office hours are Monday through Thursday from 9:00 am till 4:30 pm (EST), and Fridays from 9:00 am till 3:00 pm. Please note: We will be closed for lunch from 12:00 till 1:00.