



Disability Insurance Sales Kit

A Guide to Helping You Protect Your Clients' Incomes

This CBS Brokerage sales kit highlights CBS Brokerage's disability insurance (DI) materials to help you better understand the DI market and provide you with tools to help you discuss DI with your clients.



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Contact CBS Brokerage at 763.450.1870 to learn more about Disability Income Insurance.



What is Disability Income Insurance?

Disability Income Insurance (DI) serves as protection against an illness or injury that may result in loss of income for a period of time.

Why is it a good choice?

According to a survey conducted by Life Happens, seven in 10 employed Americans said they would feel the financial pinch in a month or less without their income—and one in four indicated they would feel the pinch immediately.* You may have clients who fall into these categories and would benefit from the paycheck protection that DI offers.

Start the conversation

We understand it can be difficult to know where to begin when assessing your clients' DI needs. We suggest starting with these thought-provoking questions:

Paycheck Insurance

How long could you afford to pay your basic monthly living expenses if you were unable to work due to a sickness or injury?

Mortgage Insurance

How long could you continue to pay your mortgage if you were unable to earn money?

Retirement Protection

Would you have to borrow money from your retirement savings if you were disabled for longer than six months?

Protection of the Family Unit

How would your family's lifestyle be impacted if you were unable to earn an income?

Contact **CBS Brokerage at 763.450.1870** to learn more about disability income insurance.

* Life Happens and LIMRA 2020 Insurance Barometer Study

How Solid Are Your Clients' Financial Foundations?



Disability insurance (DI) can be the foundation of your clients' financial plans.

Without income protection, financial flow to other bills can be a challenge if an individual cannot work due to injury or illness. Make sure your clients' financial building blocks are well supported with DI.

Did You Know?

In 2019, eight in 10 consumers did not own disability insurance, but paying basic living expenses in the event of a disability was among the top five financial concerns consumers had.* In 2022, 53 percent of respondents say they need DI coverage, which suggests a rise in interest from 2019 to 2021, most likely attributed to the COVID-19 experience.**

Protect Your Clients' Assets...

Estate

- Pass on personal and business assets

Accumulation

- Retirement plans
- Personal investments
- Savings
- Business ownership

Risk Management

- Auto insurance
- Health insurance
- Life insurance
- Property insurance



...by Providing Them a Strong Foundation with Income Protection!

Contact **CBS Brokerage at 763.450.1870** for more about why we're the place to put your DI business.

* Source: 2019 Insurance Barometer Study, LIMRA and Life Happens, **Source: 2022 Insurance Barometer Study, LIMRA and Life Happens,



What Types of Disability Coverage are Available?



Individual Disability

Long Term Individual Disability — income protection for an accident or illness lasting longer than two years.

Short Term Individual Disability — income protection for an accident or illness lasting less than two years.



Multi-Life Options

Guaranteed Issue Multi-Life — simplified issue disability insurance for businesses insuring 10 or more lives.*

Fully Underwritten Multi-Life — discounted disability insurance available to groups/employees applying for policies together.



Business Protection

Business Overhead Expense — reimbursement benefit for documented overhead expenses.

Buy-Sell Protection — protection to fund a buy-sell agreement between multiple owners in a company.

Key Person Replacement — protection for a business should a key employee become disabled.

Loan Protection — reimbursement for a loan payment.

Additional Niche Coverages

Accidental Death & Dismemberment — lump sum payment in the event of accidental death or dismemberment.

Critical Illness — lump sum payment in the event of a diagnosis of a pre-specified illness.

Contract Protection — third party owned, third party signed, and third party beneficiary death benefit product option for traditional life insurance "business product" declines or postponements

Retirement Contribution Protection — replacement of retirement account contributions in the event of a disability.

High Limit Supplement — supplemental income protection for high earners who max out of their individual disability plan.

Athlete Protection — protection for athletic contracts, sponsorships and/or future earnings.

Kidnap & Ransom — reimbursement for costs incurred during a kidnapping or extortion.

Contact **CBS Brokerage at 763.450.1870** to learn more about disability income insurance.

All guarantees subject to the claims paying ability of the issuing insurer.

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Specialized Policies for Physicians and Dentists



CBS Brokerage provides options for the specialized needs of your physician and dentist clients.

Coverage options:

- Up to \$30,000 issue with some traditional carriers, subject to income*
- Can participate up to \$30,000 with existing individual coverage; \$35,000 with group
- True/specialty own occupation definition available
- \$5,000 monthly benefit on resident/fellow physicians without medical or financial underwriting (*up to \$7,500 within 180 days of completing residency, internship, or fellowship, or within first two years of practice*)
- \$2,500 monthly benefit for third- and fourth-year students without medical or financial underwriting
- Uncapped future purchase option—subject to current issue and participation limits
- Business overhead expense and buy-sell coverage in every state (key person and business loan protection available in almost every state)
- Benefit periods beyond age 65

*Higher benefit amounts to supplement may be available with Lloyd's of London, subject to income.



Contact **CBS Brokerage at 763.450.1870** to learn more about Disability Insurance.



Do You Have Clients Who Look Like This?

If so, then you have disability insurance prospects!

Do you have a difficult time finding disability insurance (DI) prospects? CBS Brokerage is here to help you identify clients who might benefit from having an individual disability income protection plan. Review the occupations below and ask yourself if you know people in these professions. Could these people benefit from income protection in the event they got sick or injured and couldn't work?

Who should have DI?

Anyone who relies on his/her income for:

- Mortgage
- Rent
- Care
- Food
- Utilities
- Entertainment
- Education
- Monthly Expenses

White collar occupations

- Architects
- Attorneys
- Chiropractors
- Commissioned Sales Reps
- CPAs
- Dentists
- Engineers
- Executives
- Pharmacists
- Physicians
- Physician Assistants
- Scientists
- Teachers
- Veterinarians
- ... and many more!

Blue collar occupations

- Carpenters
- Electricians
- Firefighters
- Heavy Equipment Operators
- HVAC Techs
- Landscapers
- Mechanics
- Nurses
- Office Equipment Techs
- Plumbers
- Police Officers
- Roofing Contractors
- Tattoo Artists
- Truck Drivers
- Warehouse Workers
- ... and many more!

Did you know?

Most individual DI policies pay

50%-70%

of pre-disability gross salary.

*Source: 2018 Insurance Barometer Study, Life Happens and LIMRA

Contact **CBS Brokerage at 763.450.1870** to learn more about the disability income solutions that fit your clients' unique needs.

Disability Insurance Conversation Starters



Not sure how to bring up the topic of disability insurance (DI) with your clients? CBS Brokerage is here to help. Below are five brief questions to help you spark the DI conversation to create income protection awareness with your clients.

1 What is your most important asset? Many people may respond that their home, car, jewelry, and other physical possessions are their most important assets. While these can all be important, the ability to earn a living and receive a paycheck may actually be their most valuable asset. The ability to earn a living is what pays for all of the physical assets that people own and many of their plans for the future.

2 How important is your income to your everyday life? Most people understand the value of their paycheck when presented in the context of the things that it can buy. However, what happens if that paycheck stops due to an illness or injury? According to Life Happens, nearly half of employed Americans (49 percent) would feel financially burdened in six months or less without a paycheck*, even though the average individual disability claim last more than 34.6 months.**

3 What are you doing to protect your income? Many people might say that they have disability coverage through their employer, or that they could use workers' compensation coverage in the event that they are unable to perform their job. What they might not know is that group DI may offer far less than their actual income, and much less than would allow them to live comfortably. In addition, workers' compensation only covers their income in the event that they are injured while performing their job. According to LIMRA, almost six in 10 workers who opt out of DI claim they don't need the coverage or that it isn't worth the cost, even though 90% of disability claims are due to illness, not work-related injury.**

4 Do you have your "MUG" covered? Many people are hesitant to purchase DI because they believe it is too expensive. However, having *some* coverage in place to cover basic living expenses in the event they are unable to work due to a disabling event could help pay the bills. Not having to worry about paying for the mortgage or housing, utilities, or groceries (MUG) may bring peace of mind when trying to recover from a disabling event—so could being able to meet their families' basic needs.

5 What if you could protect your income for less than the cost of your cable or internet? Affordability is an important consideration for many people and a common objection to purchasing DI. To help alleviate clients' concerns that DI is too expensive for their budget, it is important to provide options to show them coverage can be affordable and customized to fit their unique needs.

Contact **CBS Brokerage at 763.450.1870** to learn more about how to start the income protection conversation with your clients.

* Source: 2022 Insurance Barometer Study, LIMRA and Life Happens

** Source: <https://www.kiplinger.com/article/insurance/t012-c032-s014-dont-underestimate-need-for-disability-insurance.html>



Keys to Keeping DI Affordable

What would your clients do if they lost their income? Providing affordable disability insurance (DI) solutions is the key to ensuring your clients have coverage in the event that they are unable to work. Below are a few important keys to consider when trying to keep DI affordable for your clients.

The 2% rule

In most cases, annual premiums should be kept between one and two percent of the insured's annual income to ensure affordability of the policy. *Some* DI coverage is always better than *none*. Make sure that your clients are able to cover their basic monthly expenses. Alleviating the concern about where the funds will come from to cover their mortgage or housing, utilities and groceries (MUG) can go a long way when clients are unable to work due to a disability.

Reduce the benefit period

Most carriers see average claim periods ranging from one- to two-and-a-half years. Many policies offer benefit periods to ages 65, 67 and 70; one way to reduce your clients' DI premiums is to shorten the benefit period. A two- or five-year benefit period covers close to or more than an average DI claim, and offers a window to indicate if the claim will be lengthy.

Below is a list of options for reducing DI premiums while maintaining quality contracts for your clients. Choose the options that may meet the needs of your individual client. Submit this document to CBS Brokerage to create a plan to keep your client's premium within two percent of his/her income.



Options for Reducing DI Premiums Form

- Reduce the benefit period to five years
- Reduce the residual option
- Reduce the benefit amount *(Please do not reduce below the insured's basic monthly expenses)*
- Remove the Cost of Living Adjustment Rider (COLA)
- Remove Catastrophic, future purchase option and/or other riders *(Dependent upon carrier availability)*
- Extend the elimination period
- Run a "[contingency plan](#)" quote

Contact **CBS Brokerage** at **763.450.1870** for assistance in creating DI plan designs that meet the needs of your clients and fit within their budgets.

Disability Insurance Underwriting Tips

There are three essential categories of questions to ask when qualifying clients for disability insurance (DI):



1 Will the client qualify based on the carrier's health requirements?

- Was the client ever declined for a life, health, or DI policy? If so, when and why?
- Is the client currently under treatment by a physician or chiropractor? Is the client taking medications — including over-the-counter medications? Is the client scheduled for hospitalization, surgery or diagnostic tests? Provide dates and describe diagnosis, treatment, medications, and prognosis. An application will require the physicians' full names, addresses, and phone numbers.
- Is the client taking any medications related to mental or nervous conditions, such as depression, anxiety, bipolar disorder, attention deficit disorder, or other conditions?
- Has the client needed medical attention during the last five years? If so, provide details.
- What is the client's height and weight? Specify pounds gained or lost in the preceding 12 months.
- Has the client had a request for a follow-up exam or procedure that has not been completed?

2 Will the client qualify financially?

- The client must be able to verify earned income for the past two years as follows:
 - **Employee:** W-2 and IRS 1040 or the last two paycheck stubs
 - **Sole proprietor:** IRS Schedule C and IRS 1040
 - **Partnership:** IRS 1065 and IRS 1040
 - **C-Corp:** IRS 1120 and W-2
 - **S-Corp:** IRS 1120 S, IRS 1040 and W-2
 - Did the client document unearned income from investments, rental properties, royalties, etc. (required)?
 - What is the monthly benefit payable?
 - Does the client have current in-force DI coverage?
 - If yes, is it individual or group?
 - What is the monthly benefit?
 - Is there a cap?
 - Is it taxable?
- If employed and paid monthly, weekly, or hourly, earned income is W-2 wages after pre-tax deductions.
 - If paid on commission (through a W-2), earned income is W-2 wages after pre-tax deductions less renewal commissions.
 - If paid on commission (through a 1099), earned income is pre-tax net earnings less renewal commissions.
 - If business owner or professional in private practice, earned income is the amount remaining after expenses such as rents, depreciation, utilities, transportation, inventories, etc., provide the amount on Line 31 of IRS Schedule C.

3 Will the client qualify based on his or her occupation?

- Does the client work full-time and 30 or more hours weekly (minimum required to qualify for coverage)?*
- What is the client's job title? Describe daily tasks performed on the job. Does the client work in an office? Is it a managerial, administrative, technical, sales, or other position? Does the client's job involve physical or manual labor? Is travel involved? If self-employed, where is the client's office? Is it in the client's home? If so, what percentage of time is spent outside of the home conducting business?
- Does the client work full-time and 30 or more hours weekly (minimum required to qualify for coverage)?

Contact **CBS Brokerage at 763.450.1870** for more about why we're the place to put your DI business.

* Limited options are available for part-time employees.

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Closing the Income Protection Sale



Have you experienced difficulty closing the income protection sale?

The following tips will help you increase your success and closing ratio when selling income protection and help ensure your clients are protected in the event they are unable to work due to a disability—setting expectations in the beginning of the sales process and during the sale is key.

1 Setting expectations

Setting expectations is a simple way to prepare your client for all the possible outcomes of the case. Having knowledge of the possibilities allows the client to prepare for whatever scenario may be encountered during the process and limits the need to resell the need for income protection when the client receives an unexpected response from the carrier.

Possible outcomes

- Issued As Applied For
- Declined
- Alternate Offer (including rated, rider, reduced and/or changed)

You've shared the possible outcomes with your client and you get an alternate offer—now what should you do?

2 Presenting an alternate offer

Try the following method when presenting your client with the offer:

- Restate the need for income protection.
- Provide a summary of the collaborative process to your client (application, phone interview, blood work, waiting for response) and reiterate the expectations that you set during the application phase of the process.
- Position the offer as the best the carrier can offer based on the information presented. If your client is concerned about cost, be sure to explain the available options to reduce cost and ensure coverage is in place in the event it is needed.

Contact **CBS Brokerage at 763.450.1870** for assistance with presenting alternate offers or for available options to help ensure income protection is affordable for your clients.

Closing Formula

Appraise

- Capture your client's reality as you have understood it.
- Keep descriptions brief and easy to understand.



Journey

- Summarize what you have discussed with your client and the steps that you have taken together.
- Emphasize "small wins" and collaboration.



Ask

- Boldly ask for the business.
- Present an expected timeframe and/or actionable next steps in the process.

CBS Brokerage's Disability Carriers



CBS Brokerage offers access to some of the leading carriers in the income protection market, including:



Contact your **CBS Brokerage** at **763.450.1870** for more about the disability carriers offered.

* Hanleigh and Petersen's are Managing General Underwriters (MGU) that function in the same manner as carrier relationships.

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CBS Brokerage Disability Insurance Proposal Request



Agent Information

Agent: _____ Telephone: _____ Ext.: _____

Contact: _____ Affiliation: _____

How should we return the illustration? (Please check one)

Email: _____ Fax: _____ Other: _____

Client Information

Prospect: _____ Male Female

Date of Birth: _____ State of Residence: _____ State written in: _____

Is he/she a United States citizen? Yes No

Occupation (Be specific): _____ Work 30 or more hours per week? Yes No

Tobacco use? Yes No

Specific Duties (Time spent doing each): _____

Salary or Net Income: \$ _____

Is Client: Salary Employee? Sole Prop? LLC/Partnership? S-Corp Owner? C-Corp Owner?

If business owner, length of time owned? _____ Number of employees: _____

Is there other coverage in force? Yes No Group LTD \$ _____ Individual DI \$ _____

Medical Conditions: _____

Carrier preference? _____

Benefits to Quote: Disability Insurance

Monthly Benefit: \$ _____ or Maximum Available

Elimination Period: 30 days 60 days 90 days 180 days 365 days 730 days

Benefit Period: 2 years 5 years Age 65 Age 67 To Age 70

Optional Benefits: Own Occ Residual COLA Future Purchase Social Security Rider Show All

Benefits to Quote: Business Overhead Expense (BOE)

Monthly Benefit: \$ _____ (Only expenses that would continue during disability)

Elimination Period: 30 days 60 days 90 days

Benefit Period: 12 months 18 months 24 months

Optional Benefits: Residual Future Purchase Salary of Replacement Show All

Benefits to Quote: Disability Buy-Out (DBO)

Monthly Benefit: \$ _____ or Lump Sum Benefit: \$ _____

Elimination Period: 12 months 18 months 24 months

Benefit Period: Lump Sum 24 months 36 months 60 months

Total Coverage Desired: \$ _____

Comments: _____

Do you need contracting for this carrier? Yes No Do you need an application sent? Yes No

Contact CBS Brokerage at 763.450.1870 for more information.