

A silhouette of a family (a man, a woman, and two children) walking along a beach at sunset. The sun is low on the horizon, creating a warm, orange glow. To the right, there is a thatched-roof structure, possibly a beach hut or lifeguard stand, and a wooden pier extending into the water.

A QUICK TRAINING GUIDE

How to Sell

LIFE INSURANCE
with **CONFIDENCE**

BY KIRK SARFF & MICHAEL SAMS



INTRODUCTION

About the Authors



KIRK SARFF

Kirk joined New Horizons in 2003 to develop a life insurance department. Each year the life department has shown substantial growth thanks to the outstanding agents that have added life insurance sales to their practice. He prides himself on personal service to our agents and assists them in growing their practice.

Prior to joining New Horizons, Kirk was a Division 1 basketball coach for 16 years. Kirk and his wife Amy have 3 daughters; Carly, Bailey and Delaney.

Kirk has a BS degree from Millikin University and MA degree from the University of Evansville.

MICHAEL SAMS



Michael became an agent with Sams/Hockaday & Associates in August of 2005 and has been helping seniors with health and life related products ever since. He also trains and mentors new agents and has a book of business that is 1,000+ customers strong.

He married his wife Jill in 2007, and they now have four children. They live on a horse farm where they raise and train horses as a hobby. He loves to trail ride at home and in the Shawnee National forest.

Before we dive into the nitty-gritty stuff, we want to share with you how simple it is to start selling life insurance.

Yes, life insurance can be complex. However, there's an entire Life Department at New Horizons that makes it incredibly easy to skip the heavy product knowledge and instead focus on closing the sale.

Long story short: you don't have to know everything to start selling life insurance. It's still your commission — we just take some of the burdens out of the process.

WHAT WE DO	WHAT YOU DO
SCRUB YOUR APPLICATION	COMPLETE APPLICATION WITH YOUR CLIENT
SUBMIT YOUR APPLICATION TO THE CARRIER	TRANSMIT TO NEW HORIZONS (EMAIL, FAX, OR MAIL)
ORDER ALL REQUIREMENTS (EXAM, APPS, ETC.)	RECEIVE CASE STATUS UPDATES
KEEP YOU INFORMED OF CASE STATUS	CHECK YOUR BANK ACCOUNT FOR YOUR COMMISSION!
OVERALL, DO ALL LEGWORK NEEDED TO PLACE YOUR CASE	

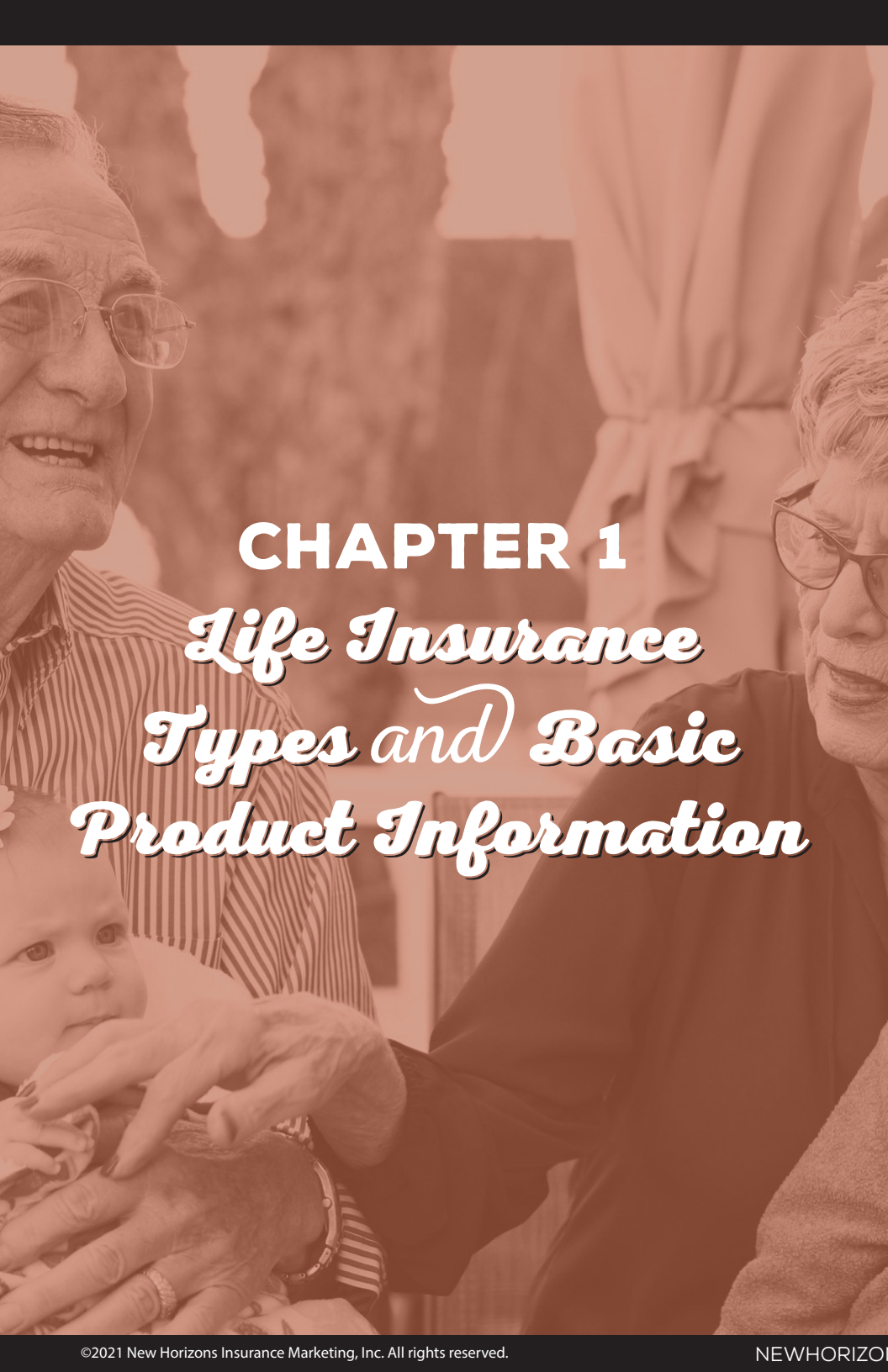
In this quick guide, we've put together 5 mini-chapters and a conclusion that are going to give you a primer on the following topics:

1. Basic product information
2. Conversation starters
3. How to do life insurance policy reviews
4. Sales techniques and sample scripts
5. Answers to common FAQs
6. Next steps

So many of us only sell Med Supp policies, but life insurance is quite possibly one of the easiest add-ons. Most people know they need it, and many already have something in place.

Our hope is that this guide will give you the confidence and comfort you need to start offering this to new and existing clients.

Your clients (and your bank account) will thank you.



CHAPTER 1

Life Insurance Types and Basic Product Information

Before you do anything for a client, you need to uncover why they currently have or why they need life insurance.

It'll be one of 4 reasons:

1. Leave a legacy
2. Cover final expenses and burial costs
3. Income replacement for those that are dependent on current income
4. Cover outstanding debt

Once you know the purpose of it, you can find out if they have enough.

The purpose for the insurance and the current death benefit amount will have a direct impact on the recommendations that we give.

This chapter will only tell you what you *need* to know, and you'll have a better understanding of which type of insurance is best for each type of situation.

LIFE WITH LONG-TERM CARE

A permanent life insurance policy with the LTC rider provides a single solution to help meet critical needs that clients often face.

Those needs include:

- Immediate funds in case of death
- Monthly access, if needed, to a portion of the policy's death benefit to help pay long-term care expenses

This is the most complex policy, and it's often the most expensive. However, the commissions on these policies are greater than most.

LIFE INSURANCE TYPES AND BASIC PRODUCT INFORMATION

WHOLE LIFE

Whole life insurance is a type of permanent insurance that also builds cash value. It's known to be one of the most expensive types of life insurance.

Whole life participates – its dividends buy more insurance that in turn go back into the policy. This is called paid-up additions.

All you really need to know about whole life is that it accumulates cash value and is more expensive than other types of permanent life insurance.

FINAL EXPENSE

Final expense policies are used to cover funeral costs and any final bills associated with the end of life. These are typically the policies with the lowest death benefits. There are 4 different types of final expense policies: level, graded, modified, and GI.

LEVEL

Level plans are the least expensive and provide an immediate death benefit.

GRADED AND MODIFIED

Graded and Modified final expense plans will pay a portion of the death benefit or offer a return of premium + interest during the first 2 years. After 2 years, the client will qualify for the full death benefit.

GUARANTEED ISSUE (GI)

A guaranteed issue final expense plan has no health questions.

Everyone within the age parameters qualifies for this plan. There is a 2-year waiting period for the client to qualify for the full death benefit. If the client dies within the first 2 years, the beneficiary would receive return of premium + interest.

If you'd like to dig in and learn more about final expense policies, read [Final Expense Insurance: Level, Graded, Modified, and GI \(2nd Edition\)](#).

You may also like our [Final Expense Tip Sheets](#), which include all the important information you need about our top final expense carriers, in one place.

UNIVERSAL LIFE

Universal Life offers a permanent solution for a client with possible flexibility of premium and cash accumulation potential.

TERM

Term life insurance is the most economical product to carry larger amounts of death benefit that are affordable.

This is typically used by clients interested in covering debt or income replacement in the event of premature death. Term life is for a specific term ranging from 5-30 years.

This is typically the least suitable policy for the senior-aged market.



CHAPTER 2

Conversation Starters

Bringing up the topic of life insurance truly doesn't need to be difficult. In fact, I think you'll read this chapter and wonder why you haven't been doing it all along.

Nevertheless, we have 2 recommended suggestions for effective conversation starters.

USING A CLIENT NEEDS ASSESSMENT

If you haven't already downloaded the [Client Needs Assessment](#), you really should. This is the single largest reason our agency has seen substantial growth in the past 2 years. You can find that in your Training & Marketing Kit.

Questions 7 and 8 are going to aid you with bringing up the conversation.

Question #7: Are you currently carrying any life insurance, and are you still paying premium on it?

You have to make sure to throw in the second half of this question — “and are you still paying premium on it?”

When you ask that first half — “are you currently carrying any life insurance?” — the client is probably going to be very skeptical. They'll say things like, “Yes... I have it, but I don't want to talk about it, because I'm happy with it.”

But as soon as you finish off that question with “and are you still paying premium on it?” it totally changes the mood. They transition into, “Yeah, I am. Should I be?”

CONVERSATION STARTERS

From there, you can ask some follow-up questions to get some more details. It seems minor, but having that last half of the question has made a big difference for a lot of our agents.

Question #8: Have you made any arrangements to take care of final expenses?

You can tag on a final expense policy to a Medicare Supplement with ease. In any case, if they don't have final expense insurance or insurance that will cover these costs, you can build the need by asking this question.

You should also inform your client that the average cost for a funeral is around \$15,000. If they have made arrangements, but it's only for \$5,000, you can help by adding on the appropriate amount.

If they have a pre-paid funeral in place, you shouldn't be trying to pitch final expense insurance.

SIMPLY ASKING

It sounds too simple to even mention, but quite honestly, most of the agents selling life insurance for New Horizons simply ask.

They'll pose the question, "Do you currently have any life insurance?"

This is about as straight and to the point as it can get.

If the client doesn't have life insurance, that's when you bring up the need and do your sales pitch. *Sales techniques can be found in Chapter 4.*

If they do, ask for their latest annual statement, and send it to me (Kirk). It's honestly that simple.

2 MAJOR PROBLEMS YOU'RE AVOIDING

Many agents don't realize the 2 huge problems that come with avoiding the topic of life insurance. When you bring up the conversation, you're steering clear of these issues.

#1: Your clients don't know you even offer life insurance.

If you do offer life insurance, but you don't mention it in your meetings, your client won't know that you sell it. Then, they'll purchase it from someone else, and you've just cheated yourself out of a sale.

If you don't offer it, that's sort of the flip side. Your client still wants and needs it, so you're still on the losing end.

#2: Your client's family will feel failed by you.

A daughter once came into her agent's office and ripped on him for not offering life insurance to her mom.

There they were with funeral costs, and the agent sold her a Med Supp, but he never once offered life insurance.

In the daughter's eyes, that agent failed her entire family.

This is a real story, and this is not the only time this has happened. When you don't take care of your client, you're failing their family.

And when life insurance is one of the easiest products to pitch (thanks to our Life Department), there's no reason to avoid it.

CHAPTER 3

How to do Life Insurance Policy Reviews

If you don't want to know everything that goes into a life insurance policy review (or you're short on time), you can still get started very easily.

All you need to do is get the client's most recent statement and send it to me, Kirk Sarff. Don't worry — this is still your client, and you still receive all of the commission. **I can begin the process for you, and you can learn everything else as you go.**

I can't stress enough that **you don't have to know everything!** We are your support team, and we'll be alongside you every step of the way.

The bottom line: If you don't want to know every detail just yet, all you need to do is find out why the client needs life insurance and get an annual statement of what they currently have.

If you're interested in more details, you should the article [How to Do a Life Insurance Policy Review](#).

Here are the cliffnotes from that article in a Q&A format.

Q: WHEN SHOULD I DO A LIFE INSURANCE POLICY REVIEW?

A: We recommend working this into your Client Needs Assessment (CNA). Question 7 brings up the topic of life insurance, and from there, you can begin the discussion. You can also bring it up by sending out direct mail. There are a few different options to choose from in the marketing kit.

Q: WHAT DO I NEED?

A: In short, the latest annual statement or an in-force illustration. It also helps to have a general concept of the client's health as well as their reasoning for needing a life policy.

HOW TO DO POLICY REVIEWS

Q: WHAT DO I DO WITH THE STATEMENT ONCE I HAVE IT?

A: Send it to me (Kirk) for review. You can email me at ksarff@nhmteam.net.

Q: WHAT'S THE POINT OF DOING A POLICY REVIEW?

A: To help the client! We can see if they're getting a good deal, and we can provide alternative options that might improve their current situation.

Q: HOW OFTEN SHOULD I DO A POLICY REVIEW?

A: Once a year, if you can.

Q: WHAT SHOULD I KNOW ABOUT LAPSING POLICIES?

A: It's really common in universal life policies from the 80s and 90s. Check on the age the policy is going to lapse, and then bring it to me (Kirk) to review.

Q: WHAT SHOULD I KNOW ABOUT TAXABLE EVENTS?

A: We can transfer the cash value from an existing life policy to a new one with no tax consequences. We do this with a 1035 form.

Q: DO YOU FORESEE ANY ISSUES WITH CHANGING SOMEONE'S LIFE POLICY?

A: The biggest issue centers around educating the family. Sometimes, there's give and take, and the family needs to be aware of the change and why that change is being made.



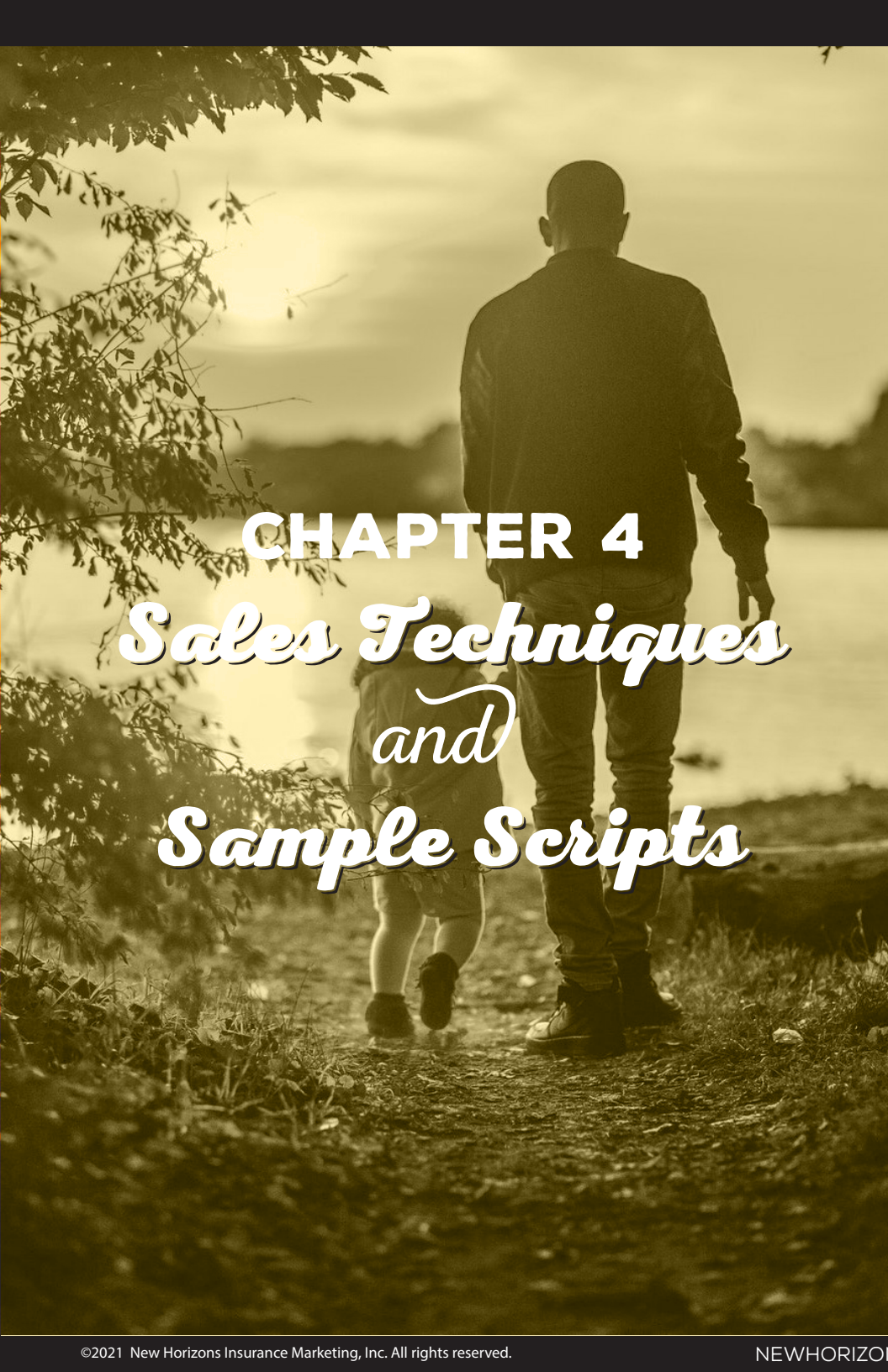
Ready to get Started?

JUST SEND ME A COPY OF YOUR
CLIENT'S LATEST STATEMENT

888-780-7676

FAX: 217-233-0280

KSARFF@NHMTEAM.NET



CHAPTER 4

Sales Techniques and Sample Scripts

Even if you've never talked about life insurance a day in your life, it's fairly easy to jump the learning curve and get things moving.

In Chapter 2, we talked about using the Client Needs Assessment to get the conversation going. Assuming you're either doing that or just simply asking if they have life insurance, you still need to keep the conversation going!

SELL TO THE NEED

A huge part of your sales technique is pulling out and selling on the individual's need. Everyone needs life insurance, but not everyone needs it for the same reason.

For example, let's say you have a 70-year-old woman who has no close relatives and a lot of assets to protect. In this circumstance, you might bring up the possibility of a life insurance policy with a long-term care rider.

You might say something like:

“You don't have any close relatives to leave an inheritance to, but the flip side of that is you don't have any close relatives to take care of you should you need it. A life insurance policy with a long-term care rider will make sure you don't lose your home and your savings to the nursing home, and the great thing is you'll never lose that money. It *will* be used.”

That's much more personable, and it's selling to the individual's need.

Simply ask your clients why they have life insurance, or find out why they might need it. Refer back to Chapter 1 for the 4 main reasons people purchase life policies.

SALES TECHNIQUES AND SAMPLE SCRIPTS

One final note on this subject: As we go through this discussion of life insurance, it all comes back to the need. We are 100% selling to the need. We aren't just selling life insurance because we want to make money or bring home some nice commissions. We're going to uncover where there's a need and we're going to determine how we can help our clients.

CLIENTS WHO ALREADY HAVE LIFE INSURANCE

Let's say your client already has a life insurance policy, and it's for final expenses. You first need to ask what the death benefit is.

If it's anything less than \$15,000, you need to have a dialogue about the average cost of a funeral.

“The average cost for standard selections in the state of Illinois is \$15,000.”

Now's the time to pull out any charts or resources you brought with you.

“Mrs. Jones, I'm going to be recommending that you have a little bit of additional life insurance to cover that need.”

Let's say your client has a life insurance policy that's meant to help their family out financially. Let them expand on how they plan to help their family.

Once you find out what their life policy is supposed to cover, you can start digging deeper with a question like:

“How much do you think you need to carry your grandkids through college?”

From here, you can determine if the policy has enough of a death benefit to fulfill its purpose. If it does, great! If not, you could be doing your client a great service by offering up some solutions.

CLIENTS WHO DON'T HAVE LIFE INSURANCE

If you're starting from scratch, it's best to begin by finding out why the client needs life insurance (as always).

Once you determine that, you can proceed with your pitch.

FINAL EXPENSE

If your client has nothing in place for their funeral costs, you should begin by suggesting a final expense policy.

Say something like:

“Mrs. Jones, you don't want your family members to be responsible for your final expenses. There's a great way to take care of that need so your family doesn't have to. The best thing we can do here is that I'll run you some quotes, and I'd like to recommend a death benefit of at least \$15,000.”

You can then explain that the average cost of a funeral is around \$15,000. I'd also suggest that you personally look up the cost of funerals in your state – it does vary a little bit.

LIFE W/ LTC

After you go through your CNA, you should have a good idea of the assets your client needs to protect. One of the biggest threats to their assets is a long-term care stay.

SALES TECHNIQUES AND SAMPLE SCRIPTS

Life insurance with long-term care is so unique, because the premiums are guaranteed. Traditional long-term care policies don't offer guaranteed premiums.

Secondly, you're going to use it, also unlike traditional LTCi.

Your pitch might look like this:

“We've uncovered that you have a significant amount of assets to protect. I don't want you to lose all of that to the nursing home. Here's a policy that's going to work really simply.

Let's just use round numbers and call it a \$100,000 death benefit. Upon death, your beneficiaries will receive \$100,000 income tax-free. The unique thing about this policy is that if you need care for long-term care services – home care, assisted living, nursing home, or adult day care – this policy will pay you 4% per month of your life insurance total.

In this example, 4% of \$100,000 is \$4,000. Mrs. Jones, you will be able to pay \$4,000 for someone to come into your home to take care of you. Or \$4,000 a month to go into an assisted living facility, nursing home, or adult day care.

If you use \$50,000 for care and you pass away, your beneficiaries get the remaining amount – \$50,000 in this example – income tax-free.”

From here, you can close with:

“Mrs. Jones, you understand there's a need to protect your assets, this is a great solution, and we have to find out if you're insurable. I'd like to start with filling out an application to see if you're going to be eligible. This gives us plenty of time to think about it – about

60-90 days. Then, we can present you with some pricing options so that we can choose something that fits your budget.”

TERM LIFE INSURANCE

Term policies are going to be for a younger crowd. Seniors don't typically need a term policy.

These are good if you have some immediate cost that would need to be covered if you died prematurely.

For example, if you have a 30-year mortgage, you want to make sure it will be paid if something happened to you.

Selling term life insurance to seniors is so few and far between – it's highly unlikely you'll ever come across it.

WHOLE LIFE INSURANCE

If you've determined that your client needs a permanent plan, whole life is a great way to build cash value.

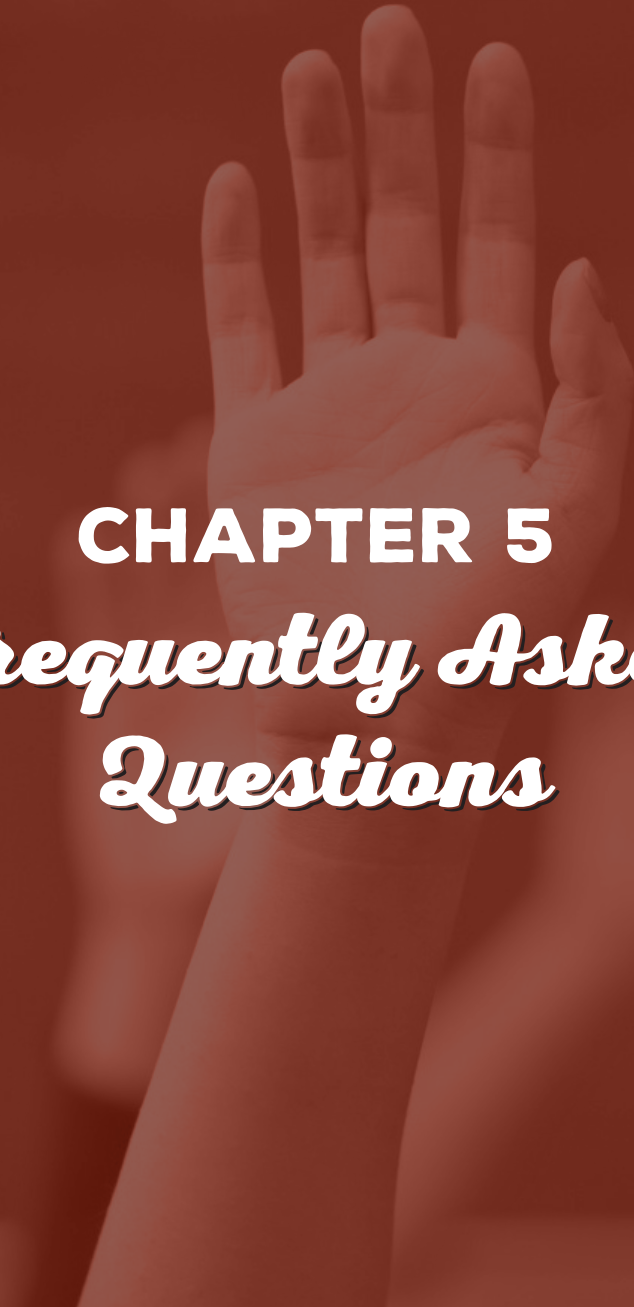
This type of insurance never ends – it will be permanent.

I recommend you generate quotes based off of the need. If the quote fits their budget, great! If not, adjust the policy so that it does.

In those circumstances, you can say something like:

“Mrs. Jones, based off of your budget, we can look at a policy that's going to buy you X amount of life insurance.”

The great thing about this type of insurance is that you can borrow from it if you like since it builds cash value.



CHAPTER 5

Frequently Asked Questions

Q: WHAT IF MY CLIENT HAS LIFE INSURANCE WITH ANOTHER AGENT?

A: Offer to do a free life insurance policy review. We can analyze the client's current policy to make sure it's going to accomplish what it's supposed to. In some cases, we can offer a policy that is more economical for the client.

Q: WHAT DO I DO IF MY CLIENT HAS A HEALTH CONDITION THAT DISQUALIFIES THEM?

A: This is a really hard situation to deal with, because there's often nothing we can do. The last option would be to look into a graded final expense plan.

Q: WHAT DO I HAVE TO DO AFTER I WRITE THE APP?

A: Nothing. The only time you have to do anything extra is if something was missing from the application, or if the underwriter is requesting more information. On typical cases, you don't do anything after you write the app (besides collect commission, of course).

Q: HOW DO I RUN QUOTES TO MY CLIENTS?

A: Kirk runs the quotes for you.

Q: DO YOU RECEIVE COMMISSION FOR WRITING YOUR OWN POLICY OR A POLICY FOR FAMILY MEMBERS?

A: Yes.

FREQUENTLY ASKED QUESTIONS

Q: IF YOU WANT TO MOVE MONEY FROM AN EXISTING LIFE POLICY TO A NEW ONE, WILL YOU BE TAXED ON IT?

A: No. You use a 1035 exchange, which means it would not be a taxable event.

Q: IF YOU DIE IN THE FIRST 2 YEARS, DOES THE POLICY STILL PAY?

A: The only life policy like this is the graded final expense plan, which pays back your premiums + interest to the beneficiary.

Q: ARE THE PREMIUMS GUARANTEED? WILL YOU SEE RATE INCREASES?

A: Premiums are guaranteed and will not change for any reason.

Q: WHAT AGE DO LIFE POLICIES GO OUT TO?

A: It depends on the policy. When you choose a policy, you have the ability to modify your policy to say, age 100, or you can even take them out to age 121.





CONCLUSION

Your First Steps

Your First Steps

Now that we've covered the basics, it's time to take some action.

In order to sell life insurance, you do need some basic training.

Step 1 is Anti-Money Laundering (AML) training. This can be done on the [LIMRA](#) website. You just register online, and you keep it up to date on an annual basis. The test is free.

Step 2 is obtaining Errors and Omissions (E/O) insurance. This is just something good to have, but you also are required to have it. You probably get a lot of emails about E/O insurance; the carrier you decide to go with is entirely up to you.

Finally, if you want to sell Life with LTC, some carriers require you to be LTC-certified. John Hancock is one of those carriers. With this, you have to take refresher courses that you do pay for. We can help you get started with this.

As far as contracting goes, most carriers will let you get contracted with your first app — you probably already know that this is called “Just in Time.”

However, there are a few carriers that require you to be contracted beforehand.

Also, any agent who wants access to the “just-in-time” company's web portals would need to contract and be appointed before any e-apps or access to the portals would be allowed.

CONCLUSION

Here is a comparison list:

JUST IN TIME	CONTRACTING BEFORE FIRST APP
AMERICAN GENERAL	AETNA
BANNER	AIG GI
CINCINNATI LIFE	EQUITABLE
GLEANER	FORESTERS
GERBER	PROSPERITY
JOHN HANCOCK	RNA LIFE
PRUDENTIAL	KSKJ LIFE
SENTINEL	
TRANSAMERICA	

If you only sell Med Supps and are thinking about getting into life insurance, final expense is the easiest place to begin as the application is similar to a Med Supp. The benefits are also smaller than other life options, and it's all-around less complicated.

Life with LTC, on the other hand, is the most complex and often takes the longest, but it has the highest commissions.

While we've spent a few chapters going into details, we want to emphasize to you that **you don't need to know everything to get started.**

That's why you have us — we are your Life Department. We know every little detail so that you can do what you do best. (Sell insurance.)

Some agents simply snap a photo of their client's annual statement and send it to Kirk. It really is that easy, and we'd love to open up your business to this opportunity.

You're doing the best for your clients, and as always, your efforts will be reflected in your bank account. Good selling!



CALL US TODAY TO GET STARTED IN THE
SENIOR INSURANCE MARKET.

888-780-7676

