Policy Builder

Step-by-Step Asset Protection Plan Completion

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Foundation of Asset Protection Planning

- Based on positive, benefits-oriented conversations with clients
- Three pillars of asset protection and income continuation
- Why we care as the advisor (long-term impact to assets/retirement plans)

Typical DI Sales Continuum.

The Problem

The Typical DI Sales Continuum

- Clients approach you, or
- You approach clients

When Clients Approach You

- They probably have some prior experience (motivation for the inquiry)
- Gather information
  - Client demo, policy or illustration
- Propose alternative (apples-to-apples) or options (existing)
- Work to close the sale

When you Approach Clients

- Establish the need for coverage or a solution
  - “What would you do?…” (in your first sale of the idea)
- Gather information
- Propose illustration based on the established norms
- Sell the illustration based on the need you see (second sale)

Either Way…

- Complete an application
- Underwrite
- Sell on the offer or on the policy delivery

What We Can Do Better

- No mention of the two pillars of protection
- Illustrated solution is matching something someone else created or is based on norms, not individual client needs.
- With no up-front contract, we end up reselling the solution (which may or may not fit) repeatedly.

Change the Conversation.

Foundation

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Change the Conversation

- We want clients to focus on what the solution does.
- This means *we* need to identify what clients are worried about and build a tailored solution.
- This breaks us out of the cookie-cutter, one-size-fits-all sales continuum.

Create the Structure

- Know what you need to do and then what you need to know
  - What to do:
    - Establish the up-front contract
      - Our common goal is to meet certain financial objectives. We are working together to minimize risks and maximize future returns. Our actions should work to reach that goal together.
    - Set agreement to work together to complete the asset protection and income continuation plan
    - Address the first two pillars of protection planning

Create the Structure

- Know what you need to do and <u>then what you need to know</u>
  - What to know:
    - How much?
    - How soon?
    - How long?
  - Big picture cost/benefit decisions

Integrated Policy Creation.

Simple Complexity

Building a Policy

- How much?
  - This focuses mainly on the monthly benefit amount and the amount of income continuation clients require to meet their comfort level.
  - It should also include the Catastrophic Disability rider.
  - Benefit Increase, Future Increase Option and Automatic Increase riders are also components of how much.
  - COBRA Premium benefit
  - Student Loan Repayment rider
  - Social Insurance Substitute benefit is a risk and cost sharing aspect of how much.
  - Lump Sum Savings rider

Building a Policy

- How soon?
  - Definition of Total/Residual Disability
  - The waiting period for benefits (elimination period) will usually be a factor of the 90-day plan or emergency fund. I would also note that it should be considered to mitigate cost if the risk aversion level is low.
  - Good health benefit should be addressed here to note that the "deductible" in this case has the potential to reduce over time.

Building a Policy

- How long?
  - Benefit period can align to one of two factors
    - Retirement time horizon. Should this provide a full-length bridge to the expected end point?
    - Risk mitigation that meets the comfort level of clients. A more cost/benefit trade off is involved.

Building a Policy

- How long? (cont.)
  - Cost of Living Adjustment (COLA).
    - Why is COLA in ‘how long’?
    - Young clients and a long benefit period do not equal the need for inflation protection.
    - Young clients **or** a long benefit period require the conversation about their expectation of the length of their claim and what they are willing to pay to mitigate the impacts of a long-term claim.

Building a Policy

- Big picture cost/benefit decisions.
  - Noncancelable (NC) vs. Guaranteed Renewable (GR)
  - Discounts
  - Carriers

Big Picture.

Collaborative Solutions

Our Collaborative Solution

- Building a policy by solving for how much, how soon, how long, in the context of the clients' specific needs helps to avoid the following traps:
  - Having to resell the policy at each phase. Built to meet their objectives, the solution is interconnected to their total financial plan.
  - Our understanding of the clients’ situations and behaviors will have crafted the solution, so we can avoid the cookie cutter competition.
  - Our frame is a strong one because we have a DI policy that fits with the clients’ overall asset protection and income continuation plan with our solution being a keystone in a structured approach.

Our Collaborative Solution

- There are always challenges along the way. This is an ongoing process and should be a patient conversation that you will have with your clients.
- The objective and goals can evolve but a recognition of the big picture will help you build plans with your clients that will lead to more satisfied customers.
- Satisfied clients are more likely to retain policies, seek advice for additional solutions and refer friends and family.

Upcoming DI Connect with Us Sessions

- **Tuesday, April 1, 2025 – 11 a.m. ET –** New Producer Workbench Navigation Demo
- **Tuesday, April 8, 2025 – 11 a.m. ET –** DI Claims Townhall
- **Tuesday, April 15, 2025 – 11 a.m. ET –** An Introduction to the Cornerstone Product Showcase Training Program
- **Tuesday, April 22, 2025 –** No Training. Easter Week.
- **Tuesday, April 29, 2025 – 11 a.m. ET -** An Introduction to Census Enroll for Guaranteed Standard Issue (GSI) Cases

Key Contacts

- Your Agency or Brokerage Manager.
- Your Ameritas® Sales Development team.
- The DI Sales and Distribution team.
- Your Regional Vice President.