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# How NAIFA Helps You Succeed

By Ayo Mseka

An informal poll conducted recently by *Advisor Today* reveals something most of you already know: Advisors who achieve professional and financial success invariably have an innate desire to help others, put their clients' interests ahead of their own and demonstrate fortitude in the face of adversity.

These are all admirable attributes, but allow me to add something else I believe all advisors must possess if they wish to enjoy ongoing success. That something else is NAIFA membership, and let me tell you why.

With NAIFA membership, you get to enjoy NAIFA's formidable prowess in political advocacy, which ensures that you and your colleagues thrive and are able to continue helping your clients manage risk, prepare for retirement and meet their financial goals.

NAIFA's successful advocacy program also allows you to get involved, connect with your industry and demonstrate your professional dedication to your peers and clients. You will soon have an opportunity to do all of this at the association's Congressional Conference, which takes place from May 22 to May 23 in Washington, D.C. Secure your place at this important conference today by registering at [www.naifa.org](http://www.naifa.org). You'll be glad you did!

A few months after this conference, you will have another opportunity to connect with your industry —this time at NAIFA's Performance + Purpose Conference. For four-action packed days in San Antonio, you will gain inspiration from those who have overcome seemingly insurmountable challenges, learn critical insights from industry visionaries, and acquire best practices for moving your career forward. Stay tuned for more information — this is one event you cannot afford to miss.

## The *AT* advantage

As a NAIFA member, you also receive a publication that is second to none in giving you the tips and techniques you need to enhance your professional success — *Advisor Today*. Each edition of this magazine offers the most effective strategies used by the industry's top producers to get and stay ahead.

This issue you are reading is no exception. For example, our cover story shares the strategies top producers use to rev up their DI sales, while the feature articles highlight several tried and true methods the best in the business use to consistently convert prospects into clients. And don't forget to check out the articles that feature ideas for selling to clients — they have worked for several Top of the Table advisors and may do the same for you.

## It's time to renew!

So now that you have been reminded of why belonging to NAIFA is so crucial to your business success, it's time to renew your membership and encourage others to do the same.

It has always been a good idea to belong to NAIFA, but now more than ever, the business case for being part of the industry's most influential group of advisors has never been more compelling.

What you get for your NAIFA membership is pretty hard to beat: an advocacy program that is second to none, products and services that significantly enhance your professional development, and numerous opportunities for networking with the brightest and the best.

NAIFA membership is so valuable that I promise you this: If you take full advantage of all that it offers, it won't be long before you and your business will start enjoying amazing success! 

Ayo Mseka

# Moving NAIFA Forward

By Keith Gillies, CFP, MBA, ChFC, CLU

It is hard to believe it is spring already, and I am halfway through my incredible year as your president. With every day and week, my focus is on working with our executive committee, board and senior staff to accomplish the three major objectives we reiterated in September 2017: passing the Quality Member Experience initiative and by-laws changes; fixing our endemic membership situation; and diversifying our revenue stream.

## QME by-laws re-write

Immediately after the unfortunate cancellation of our Orlando Performance + Purpose conference, we consolidated the five former groups working on the QME initiative into two working groups under the standing Committee on Associations (COA). Since then, the committee members, staff and working groups of the COA have worked diligently to further develop details for our members' review. At our winter board meeting, your Board of Trustees voted unanimously to endorse the recommendations of the working groups and the COA.

At the same winter board meeting, we set up a time-table for final and minor board corrections, along with a time-table for NAIFA staff to develop presentation material. The final documents were presented to the COA in February and we are now making presentations across the federation to members and other important constituencies.

Since the formation, and with the efforts of a large cross-section of NAIFA members and influencers, we have used the conclusions of the QME Task force to explain the critical need for NAIFA to change. We must create a more nimble and effective NAIFA. We must provide a consistent value to our members across the federation. And, we must have the vision to see the value of affiliates in every metropolitan area in our great country.

## Membership

If we do not fix our membership decline, NAIFA is doomed. We believe a very big step to stemming the membership decline is by passing the QME initiative. However, we are not waiting for this long necessary step to change the governance of NAIFA to clear our delegate council. For the second year in a row, the membership initiative has been in the capable hands of our president-elect, Jill Judd. This consistency of leadership is very important as we built out systems and processes, not only for today, but for the future.

To assist immediately, we continue to work on our Corporate Dues program. We have established several corporate dues relationships, and our business development team has several bulk dues agreements on the horizon. Also, your board, again at our recent winter board meeting, authorized two additional initiatives: a professional recruiter and an emeritus dues level. The funds for the former were found within existing budget line items, and the latter rewards retired NAIFA members who are over age 65, with at least ten years of NAIFA experience. We need the leadership and experience of those members to help grow NAIFA.

We continue to encourage our state and local associations to follow the lead of the national board by considering an emeritus dues level.

Finally, we are taking the long overdue step of leveraging technology to work on meeting our membership goals.

## Non-dues revenue

Because of space limitations, I will only highlight the fact that our LACP — the Life and Annuity Certified Professional Program — continues to grow. We also are relaunching our LUTCF certification and we continue to seek financial partnerships that are mutually beneficial to all parties.

Finally, I am very pleased again to recognize our friends at GAMA International and the Society of Financial Services Professionals, for their engagement with NAIFA on joint initiatives. These types of collaborative efforts benefit our organizations, our partner companies and our members.

It is my pleasure to serve as your president, and I am committed to continue moving NAIFA forward.

Progress! 

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# Engage, Explain, Execute: It's All about Relationships

The most trusted NAIFA relationships are those between lawmakers and their constituents who are NAIFA members.

By Diane Boyle

“All politics is local,” said 1977-1987 Speaker of the House Rep. Tip O’Neal (D-MA). That’s just another way of saying, “It’s all about relationships.”

This famous statement is decades old, but it remains just as valid today as it was years ago. Any successful government relations program—and NAIFA’s is among the best—starts with relationship-building, backed by strong policy.

Relationships are the backbone of any association’s ability to deliver compelling policy arguments. When push comes to shove in a legislative battle, literally hundreds of stakeholders engage. Some are constituents, some are activists and others are professional lobbyists. When lawmakers and their staff are bombarded with these urgent messages, they naturally respond first to the people they know and trust — those with whom they have built a relationship based on credibility, trust, and mutual helpfulness.

## Building relationships

How does NAIFA engage in relationship-building? It happens on multiple levels, but arguably the single most important relationships are the trusted, credible and often long-standing relationships between lawmakers and their constituents who are NAIFA members. NAIFA’s grassroots and Political Action Committee, supported by professionals in Washington, help NAIFA’s constituent lobbyists build and maintain those all-important relationships.

## NAIFA’s Congressional Conference

A key component of this multi-faceted effort is the association’s annual Congressional Conference. This year, it takes place in Washington, D.C., from May 22-23. The conference features an impressive array of speakers including Congressman Darin LaHood (R-IL) and Congresswoman Linda Sanchez (D-CA).

### **Any successful government relations program – and NAIFA’s is among the best – starts with relationship-building, backed by strong policy.**

Congressional Conference participants learn about current issues. They receive advice on how to meet lawmakers and their staff and explain to them the impact of trending proposals. They also execute an industry-supported “ask” of Congress and learn how to maintain and grow those relationships after the conference ends.

The Congressional Conference is a critical element of NAIFA’s government relations program. The work done each year at this conference is in no small part responsible for some remarkable results. For example, last year’s Tax Cuts and Jobs Act (TCJA) did not change the fundamental tax rules governing life and health insurance, annuities, retirement savings and employer-provided benefits.

That preservation of current law tax incentives for the products that NAIFA members provide to their clients to ensure their families’ and businesses’ long-term financial security was not an accident. It was the direct consequence of the practical lawmaker education made possible by the relationship-building that is often begun, and always enhanced, at the Congressional Conference.

The Congressional Conference augments in-district meetings and is designed to create a sizable annual presence on Capitol Hill. Whether you are a first-time visitor or a seasoned Capitol Hill constituent, the NAIFA Congressional Conference offers an excellent opportunity for you.

Advocate for the issues important to our industry, learn how government impacts your business and clients, and continue to grow relationships with elected officials and other NAIFA members from across the country. Please register today at [www.naifa.org/caphill](http://www.naifa.org/caphill) to participate in NAIFA’s Congressional Conference. 

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# New Whole Life Insurance Product Makes its Debut



PATRIZIA TILLY/SHUTTERSTOCK.COM

By Ayo Mseka

**N**ew York Life has launched Value Whole Life, a new lower-premium whole life product that gives policy owners guaranteed cash value with eligibility to receive future dividends.

“Our Value Whole Life product is one of the most competitive products on the market and provides access to all the benefits of whole life insurance, including the guarantees\* it provides, at a more affordable cost,” said Alex Cook, senior vice president, New York Life. “We believe Value Whole Life will be an appealing product for pre-retirees to meet their permanent death benefit protection and guaranteed cash value accumulation needs, at an attractive premium. Value Whole Life owners also benefit from our company’s mutual business model, in the form of dividends\*\* and in the knowledge that the company is making decisions with the benefit of policy owners top of mind.”

The payment for Value Whole Life for a 50-year-old\*\*\* could be as much as 24 percent lower than standard whole life insurance policies available today (with a similar decline in cash value growth).

“Value Whole Life is a beneficial whole life product for anyone with a need for permanent protection, but may be particularly attractive to many pre-retirees who are interested in leaving a legacy, but have continuing financial obligations such as mortgages and education. We believe that individuals in their 50s and 60s will be attracted to this protection-oriented product with all of the benefits of whole life, and lower premiums in exchange for less aggressive cash value accumulation,” added Cook.

“We are proud to offer Value Whole life as a complement to New York Life’s existing whole life insurance products, which include Whole Life and Custom Whole Life. Having a portfolio of products allows our agents to best meet the needs of all of our clients, who can feel secure knowing their future and the future of their beneficiaries is in the hands of an established company with the highest possible financial ratings,” said Cook. 

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\*Guarantees of guarantees of the policy are based on the claims-paying ability of the issuer.

\*\*Dividends are not guaranteed.

\*\*\*Based on a female, best risk class.

\*\*\*Based on revenue as reported by “Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual),” Fortune Magazine, June 12, 2017. For methodology, please see <http://fortune.com/fortune500/>.

## Study Links Financial Well-Being with Community Involvement

People involved in communities are more likely to report that they are financially secure than those who are not.



©ISTOCK.COM/JAVI\_INDY

By Ayo Mseka

A poll by Massachusetts Mutual Life Insurance Company (MassMutual) concludes that Americans who are involved in various communities not only find it personally gratifying, but financially rewarding as well. Forty-eight percent agree that community participation improves their finances, and nearly seven in 10 (69 percent) say that community involvement is important to their overall well-being.

This new body of research – *You Get What You Give: The MassMutual 2018 Financial Wellness and Community Involvement Study* – examines the intersection of community participation and financial well-being and strongly demonstrates that community involvement strengthens confidence in financial security.

“MassMutual began out of a concern for community in 1851, when our founders first started offering coverage to help their neighbors secure their future and protect the ones they love,” said Roger Crandall, MassMutual chairman, president and chief executive officer. “More than a century and a half later, we are still driven by that same purpose, and this study shows it is more relevant than ever. Our research clearly indicates that by Living Mutual — coming together and relying on each other — we can make our communities stronger and our lives more secure and fulfilling.”

### **Tough times: Regardless, people find ways to be more secure, happier and fulfilled.**

Despite continuing economic improvement, the study highlights how Americans have not put financial uncertainty and volatility behind them. In fact, approximately four in 10 Americans feel anxious about their current and future financial security and think about their financial well-being daily. Yet, indicative of Americans’ community values, more than half (53 percent) report that they have supported someone in their community in a time of financial stress, and 25 percent have been supported by others in their community during a time of need.

The results come as no surprise to Dennis Duquette, MassMutual’s head of community responsibility and president of the MassMutual Foundation. “Naturally, we all revere the concept of independence because it’s the foundation of what started the great American experiment more than 240 years ago,” he said. “What truly built this nation over the years was people from all walks of life coming together to create a better, more secure life

for themselves, their loved ones and their communities at large. That same spirit remains very much alive, as so many clearly recognize that we do get back what we give.”

**Community: More than a place – and more than an online connection.**

Americans clearly choose to make time for others. Nearly all Americans (95 percent) reported that they are involved in at least one community. Most are involved in a community with their family (86 percent), friend group (65 percent) or neighborhood (50 percent). Those who place a premium on community involvement have unexpected benefits, with approximately six in 10 being either comfortable or confident in their current and future financial well-being.

Interestingly, Americans do not share the same definition of community. Respondents defined community in multiple ways, including geography (81 percent), values (45 percent), culture (40 percent) and lifestyle (36 percent).

**Those who place a premium on community involvement have unexpected benefits, with approximately six in 10 being either comfortable or confident in their current and future financial well-being.**

Community is also no longer just a physical thing; Americans are connecting with communities both online and in-person. Most surprising in today’s digital world, regardless of age, Americans interact with their communities in-person, with the exception of political and interest-related communities.

No matter how they define community or participate in it, Americans agree that involvement in a community impacts multiple aspects of their lives. A majority report that community participation improves their social and family lives (88 percent and 82 percent, respectively).

PSB conducted the research online from Sept. 7-28, 2017, using a nationally representative sample of 10,000 U.S. adults ages 18 and above. Results are nationally representative of age, gender, race, ethnicity and education.

at

## Working with Seniors

To truly connect with older clients, you must communicate with them in the manner in which they are the most comfortable.



BECRIS/SHUTTERSTOCK.COM

By Elie Harriett

Working with a 21-year-old just out of college and working with a 65-year-old just out of the workforce are two different things. Both groups process information differently and both groups have been acclimated to society differently. To its credit, the insurance industry has been among the first to take advantage of new technologies as it works with both groups of consumers.

Sometimes, using an early-adopter strategy can help boost sales, but on other occasions, especially with the retiree market, it can alienate some prospects and negatively affect the potential for gaining new business. Therefore, it is up to you, the trusted advisor, to take your clients hand in hand and work with them in the way in which they are the most comfortable.

I'm an example of someone who uses both old and new ways. In my right pocket is the latest iPhone, and in my left pocket is a fountain pen from 1954. My business card gives clients a phone number and asks them to send me text messages. I carry around a digital camera and a Polaroid. (Really! When you see me at the NAIFA Performance + Purpose Conference in San Antonio this year, ask me for a Polaroid picture.)

**Your flexibility and willingness to work with your senior clients through various communications options are keys to assessing their comfort levels.**

The point I am trying to make is that when I start talking with retirees, I have to be prepared and comfortable in communicating with them in whatever way they want to be communicated with. If I see an iPhone on the table, I know I can show them a presentation on a computer and they'll accept it. But if the phone rings and it is an old wall phone, I may have to use the old fashioned pad and pen.

I have two clients who are deaf. In both cases, they ask that we communicate via text messaging. Both had family present when we met, and both could also read lips. I offered traditional ASL services and TTY, but that wasn't their preference. Your flexibility and willingness to work with your clients through a host of communications options are your keys to assessing their comfort levels.

## Figuring out your senior clients

When you are trying to figure out how comfortable your clients are with technology, a little Sherlock Holmes-style observation can come in handy. When clients walk in to your office, do they have a smartphone on their belt holster? Did they make the appointment with you online or over the phone? If you visit them at their homes, do they have wifi in their homes? Clients living in rural areas are usually more computer savvy than those in urban areas. Some of them have faster internet services than I do.

Are you projecting a proposal on a large screen? Or do they want a nicely presented paper report? Some clients, for reasons entirely their own, have a hatred of computers with a passion that was formerly reserved for IRS audits. I have lost sales in the past because I discounted this hatred and used a computer because it was convenient for me.

Do your clients have to fill out a form electronically? An insurance policy is a contract. If they have trouble reading a computer screen, can you provide a paper alternative instead? This issue could come up again if any after-the-fact ethics and compliance issues arise.

I used to carry around a special, extra thick gel pen for signatures for clients who have severe rheumatoid arthritis. I was complimented a number of times for thinking of them. This sort of extra touch is one of those things that clients remember. Some clients have never had to put pen to paper; so, having them sign their name on a touchscreen can be a disturbing experience.

My point is that as advisors, we are constantly subjected to marketing materials that state that seniors are on the internet and are tech-savvy. And some truly are. But not all of them are; therefore, to truly connect with them, we must talk with them in the manner in which they are the most comfortable. That means being prepared to work with them at either the bleeding edge of technology or in more traditional ways. Don't give up your pens just yet! [at](#)

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## Protecting Tech Titans

Use DI insurance to protect a tech company's most critical asset—its visionaries and owners of specialized knowledge.



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By Frank Zuccarello

Names of people like Mark Zuckerberg, Marissa Mayer, Elon Musk, Larry Page and Sheryl Sandberg have become household brands that represent success in Silicon Valley. And while people often think of Apple as a company that was launched in the garage of a teenager's parents, or Facebook as a firm that stemmed from a college student's dorm room, today's reality is that private equity, venture capital and angel investors are deploying capital to either throw gas on the fire of a tech start-up who has a good footing, or hire the right talent to build new technology for emerging and often disruptive new markets.

But what happens if investors lose their Mark Zuckerberg? Tech companies depend on their Chief Technology Officers whom investors count upon to make it across the finish line. The loss of a key individual due to death or disability, particularly when the firm's technology relies on its human capital, is certain to result in devastating redemptions, if not in the total dismantling of a tech company. So it is not surprising that for these tech titans with specialized knowledge, the specter of disability or death always hangs ominously over them.

Many key-persons are protected by life insurance, or at the very least, by a succession plan that shifts neatly into place when they pass away. But statistics show that the risk of disability during one's working years is significantly higher than the risk of death. For example, a 45-year-old executive is three times more likely to suffer a disability lasting longer than 90 days than to die before the age of 65.

### **For every Facebook, there are 100 mid-level corporations operating in Silicon Valley where the key tech person needs DI insurance.**

Unfortunately, less than 35 percent of corporations that secure key-person life insurance also secure the corresponding key-person insurance: disability income (DI) insurance. Using markets once reserved for elite athletes and entertainers, carriers such as Lloyd's of London have developed key-person disability products designed to protect a company's most critical asset — the tech company's visionary. These carriers can deliver disability benefits of up to \$100 million for those individuals, whose vision, knowledge and experience are critical to their companies' operation and future.

We recently worked with the CEO and founder of a large cloud-based communications-services company in

Silicon Valley. The company was fully-aware that its visionary leader, who, at that time, was in his late-40s and lived a healthy and active lifestyle, was the fuel that drove the business engine, and that any type of long-term disability would derail the company's plan for future growth. A decision was made to take a \$50 million buy-sell coverage policy as a hedge against the CEO no longer being able to perform his duties.

For every Facebook, there are 100 mid-level corporations operating in Silicon Valley where the key tech person needs DI insurance. To avoid offering DI insurance to these individuals because they have not graced the cover of a high-profile magazine or are not the darlings of social media is to put a company and everything it has built over the years in harm's way. If you have not included tech titans in your DI prospecting database, now is the time to start. [at](#)

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*Frank Zuccarello is Partner at Exceptional Risk Advisors, LLC, where he manages the field underwriting, sales and operations for its Accident & Health Division. He also underwrites and places key-person policies for corporate executives and high-profile entertainers. For more information, contact him at 866-512-0444 or at [frank.zuccarello@exceptionalriskadvisors.com](mailto:frank.zuccarello@exceptionalriskadvisors.com).*

## Use Stories to Sell DI

Disability income insurance is sold by telling stories that motivate the consumers to act in their best self-interest.



STOCKFOUR/SHUTTERSTOCK.COM

By Bryan Kuderna, B.Sc., CFP, LUTCF

I'll never forget the first day of my college internship as a financial sales representative at a firm —fortunately, the same company I still work for 10 years later. I was given the task of creating a “Dreamboard” that was to be made up of pictures of who I thought I could be 20 to 30 years down the road if everything went as planned. My “Dreamboard” featured a mansion with a pool, a Ferrari in the garage, membership of an exclusive golf club, little kids and a beautiful wife, exotic destinations for my vacations, an ornate office decorated with awards, etc.

### When things go wrong

So, ask yourself: If you had it all, what could possibly go wrong?

- Being served a lawsuit: \$52,900 (average for personal injury claim)<sup>1</sup>
- House catches on fire: \$203,400 (average home value in in 2017)<sup>2</sup>
- Car gets totaled: \$18,800 (average used car price)<sup>3</sup>
- Unemployment: \$25,000 (national average of 3 months' unemployment and sample \$100,000 salary)<sup>4</sup>
- Death: \$6,046,208 (assumed earnings to Age 65 for a 30-year-old who is earning \$100,000 per year with a 3 percent cost of living adjustment.)
- Divorced — there goes half.

Let this morbid picture sink in for a moment. As a financial advisor and steward of our clients' most precious financial goals, is it not our first task to protect these goals?

The average consumer gives considerable thought to the scenarios previously mentioned. But there is one more pitfall of catastrophic severity with surprisingly high probability that he is prone to forget: a sickness or an injury. Just over one in four Americans will suffer a disability before retirement<sup>5</sup>; yet, it's often the least discussed item by financial advisors and consumers alike. There are about 290 million life insurance policies in-force<sup>6</sup>, compared to just 167,000 DI insurance policies in-force<sup>7</sup>.

### Why DI is such a tough sell

How did we get here, and why are we staying here? It's the customer's age-old judgement of perceived value versus realized cost. For most of the time, the consumer is thinking: “*Disability simply cannot happen to me!*” But neither can premature death; so, why are there so many life insurance policies? From an economic standpoint,

term life insurance is relatively cheap, and whole life insurance provides a guaranteed death benefit to the family and/or guaranteed cash value for the consumer's enjoyment.

## **Selling DI involves financial and emotional decisions. Understand these aspects and unlock your potential to protect your clients and your practice.**

The consumer is also thinking that a disability does not have to be permanent. Even if one were to become disabled, *which can't possibly happen*, at least he can rebound from it and continue to work. So why pay a premium for anything more than life insurance if the possibility exists that the owner of a DI insurance policy might never need to use the policy? Couple that with the consumer's inability to purchase a DI insurance policy that can give him cash value, and the result is that he is left with apparently poor choices.

### **Stories that sell**

Therefore, individual disability income (IDI) insurance is not bought, but sold. The product is sold on stories that motivate the consumer to act in his best self-interest. Even as a successful insurance agent, IDI was admittedly the last financial product I added to my plan. I adhered to the same previously mentioned philosophies as most consumers do. It wasn't until I heard the following two stories that I took action.

Financial planning is not a science; otherwise, all of us would follow a textbook to prosperity. A senior partner at my firm posed it this way: If you were to go through your entire career paying your DI Insurance premiums, which amount to about 1-2 percent of your income (it's not so expensive when the customer views it that way) and you make it all the way to retirement age without a hitch, the lost opportunity cost of the money you have paid would amount to a small mistake. But if you were to forgo DI insurance and one day wake up unable to perform your duties, with a family and a business on the line, then it's a catastrophic mistake.

Even though the saying that financial planning boils down to trading small and big mistakes made perfect sense to me as an economist, I still passed up the opportunity to buy income protection. It wasn't until a mentor shared an impactful story of his favorite client that the lightbulb went on.

My mentor served as the wealth manager of an iconic attorney who was earning nearly \$1 million per year. As an avid marathon runner and passionate lawyer, the client swore to practice law for life, even if he had to do so from the confines of a wheelchair. It took a solid two years of convincing from my friend to seemingly persuade his client to buy DI insurance.

Fast forward another year. Out of the blue, my mentor received a call from the attorney's paralegal, asking about any DI insurance the attorney might have purchased. Sadly, this unstoppable lawyer lost his only son in a car accident. Two years passed before he was able to walk back to the office, let alone practice law. During those two dark years, the check that kept his household afloat came not from his firm, but from an insurance company.

It took this last story for me to realize that we never know what could one day derail our "Dreamboards." Fewer than 10 percent of all disabilities come from an injury<sup>8</sup>. The other 90 percent are not as visible.

Stories sell DI insurance, not numbers. Being referred to a cardiac surgeon who was suffering from migraines and severe dry-eye following a popular Lasik surgery and receiving a denial letter from his insurance carrier that cited an "Any Occupation Definition" that he did not even notice is a story. Providing checks to an orthodontist, a father and husband who was suffering from carpal tunnel syndrome while teaching at a renowned college because of his "True-Own Occupation Definition" is a story.

How can a successful fiduciary watch his practice implode overnight? By skipping over the foundation of a client's financial plan. I'd hate to buy a beautifully designed house and find out five years later that it was built on a sinkhole. So, accept the harsh statistics mentioned in this article and use whatever stories that resonate with you to sell DI insurance.

Selling DI insurance involves financial and emotional decisions. Understand both of these aspects and unlock your potential to protect your clients and your practice. 

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*Bryan M. Kuderna, B.Sc., CFP, LUTCF, is an Investment Adviser Representative with the Kuderna Financial Team. He is a perennial MDRT qualifier and author of MILLENNIAL MILLIONAIRE- A Guide to Become a Millionaire by 30. Contact him at bryan\_kuderna@planningalliance.com.*

### **References**

- <sup>1</sup> "Personal Injury Survey"- Martindale-Nolo Research. 2017.
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- <sup>4</sup> National Bureau of Labor Statistics.
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## Caring for Mother

Life would have had a greater degree of normalcy if she had owned a long-term-care insurance policy.



WAVEBREAKMEDIA/SHUTTERSTOCK.COM

By Howard Berger, CLU, LUTCF

**Editor's Note:** *What this advisor went through as he cared for his mother who did not have long-term-care insurance demonstrates the need for this vital coverage. Share his story with your clients and you might persuade them to seriously consider obtaining LTCI.*

**D**o you know me? You'd likely say no, but you do, more than you will ever realize.

I was until relatively recently a living breathing long-term-care-insurance (LTCI) policy. I was because I had to do what a policy should have been doing — help take care of my mother. The irony is that I am a seasoned financial advisor who knows better than to allow his mother to live without an LTCI policy. But I simply could not get her to even discuss the subject. In fact, one of my siblings volunteered to pay for the entire cost of the coverage, but she still wouldn't allow the subject to be brought up. Her mother had suffered from Alzheimer's and died in a nursing home, but she would still leave the room whenever I tried to bring the subject up.

Although Our Mom ran a tight ship as she raised four sons, she also encouraged us to try new things. She taught us independence, self-confidence and how to speak up for ourselves. Because she had a protected childhood, she wanted us to be able to do the things she was never allowed to do.

When Alzheimer's struck her mother, a facility was the only choice at the time. Once per month, she would fly there to visit her. Not only would she see how she had deteriorated in just that one month, she would also see the "Coming Attractions," as she called them, by seeing other patients who were just a bit worse than her. Ending up in a facility became her worst nightmare.

She purchased a copy of the book, "Final Exit." This was her strategy. If a physician were to tell her that she had Alzheimer's, she would consult the book and exit gracefully. But by the time the disease had reared its ugly head, she could no longer remember that she even owned the book.

When our father passed away, she started to consider the idea of perhaps one day moving into an assisted living center. Her niece, who happened to be the same age as she was, had moved into an extremely nice one. She once asked me to take her there to visit. When we left, as I was driving her home, she asked me to promise not to ever put her in a place like that. The look of fear on her face as she said those words was something I had never seen on her before in my entire life.

I took her hand. "Mom, I have the boys still living with me," I said. "We'd have to sell your apartment to get a bigger house. Would you be OK with that?"

She said: “That’s fine, as long as it keeps me out of a place like that or anything like it.”

I promised her that I would do what I could to keep her out of a facility.

There it was — my word. Our dad always said, “Always keep your word. Sometimes in life, it may be the only thing you have.”

### **Dealing with Alzheimer’s**

Nothing happened right away. Our Mom maintained her independence for quite some time, although there were changes here and there. She started repeating herself. Her “filters” of what she would say to someone gradually began to diminish. We had to take charge of her medications, her bills; she had to give up driving and agree to let someone come to the apartment each day to take care of her. At first, it was only for an hour each day to make sure that she had indeed taken her medications and to check on things. Then it increased to a few hours per day, to finally eight hours per day. Fortunately, the caregiver worked independently; so, her fees were reasonable. The two of them eventually became the best of friends.

It was also fortunate that by the time her physician said she could no longer live alone, I had become an empty nester. Our Mom was reluctant at first to have someone move in with her. But once it was explained to her that unless I moved in, the state would remove her and put her in a facility of its choosing, she ultimately agreed. “I think the den could make a great bedroom for you,” she said.

It didn’t take long for her to realize that she liked the idea of having me there, and I had to admit that I did enjoy the time we spent together. The hard part was watching her decline. Our Mom had visited five out of seven continents in her life, would read the daily newspaper cover to cover with the exception of the sports section, and could read as many as five books each week.

Unfortunately, in addition to having Alzheimer’s disease, she had Macular Degeneration, which ultimately robbed her of her ability to read and even watch TV. Alzheimer’s also creates odd habits in its victims. We had to put a Baby Monitor in the kitchen and a lock on the refrigerator door because she had started taking food out and leaving it on the counters because she wanted it to be at room temperature.

The other odd habit many Alzheimer’s patients suffer from is “Sundowners Syndrome,” which causes them to wander around during the night. For some, it is simply wandering around their homes, while others will go outside and start to wander the streets. In the beginning, our Mom wandered around just in the apartment for the most part. However, she would occasionally walk out into the building late at night. As a result, I had to put an alarm on the door.

The most difficult part of taking care of our Mom was dealing with the lack of support I received from my family. It was not that they were unwilling or were not interested; it was mainly a matter of logistics. I have three older siblings. Two live on the West Coast and although the other sibling and I resided in the same town, he was working on the East Coast and was home very seldom. I was very fortunate to have a girlfriend who was very willing to be a “homebody” with me practically every weekend.

### **For me, the first difficulty in dealing with the “Distance Guilt” that everyone was feeling was addressing their opposition to the idea of my moving in with mother.**

Family in and of itself is also a difficult issue, especially if everyone is spread out all over the place. Along with being a financial advisor for over 38 years, I am an educator who has taught numerous classes on LTC and Elder Care. However, this is no match for something known as “Distance Guilt.” This often happens when the child of an Alzheimer’s patient hasn’t seen his parent for some time and starts feeling as if he has done either nothing or not enough. He then feels the need to compensate or even overcompensates, adopts a “Take Charge” attitude, and begins giving orders and rallying the troops.

This will strain relationships in ways people never thought possible. For me, the first difficulty in dealing with the “Distance Guilt” that everyone was feeling was addressing their opposition to the idea of my moving in with mother. This was in spite of the fact that two physicians had endorsed the idea.

I was told I should not move in with our Mom because:

- I was not a professional.
- I was an untrained male.
- What would happen if I were to see her naked?
- What would I do if had to change her diapers?
- I didn’t have the slightest idea of what I was getting into.
- She probably wouldn’t appreciate the idea of having strangers around.

- I wouldn't keep the apartment clean enough.

While it was true that I was not a professional, the more than 70 percent of other family members who are caring for their parents are also not professionals. And though it was also true that I was an "untrained male," I learned very quickly. There were plenty of times when I had helped our Mom get dressed or undressed. I had helped her shower on many occasions and even cleaned her up on occasions when going to the bathroom ended up being on the messy side. While certainly not the highlight of either of our day, it was handled with grace, love and respect. How else should I have handled it, and why should our Mom have expected anything less from someone she raised? If our Mom had reached a stage at which she had lost complete control of her bladder and bowels, nothing would have changed, even though it would have been a greater challenge than when I did those tasks for my children.

So, after a year of trepidation and finally, because our Mom could no longer be left alone, I moved in. As I mentioned earlier, after a few days, our Mom discovered she liked having me around. Most of my siblings soon discovered that I did know what I was doing and what I was getting myself into.

On Sept. 10, 2016, our Mom passed away peacefully in her sleep, in her own bed, in her own home, on her own terms. My promise had been kept. Why did I do it? Because I said I would.

Was it easy? No, it wasn't. Do I regret it? Absolutely not for a single second. Would I do it all over again? In a heartbeat. However, had our mother not been so stubborn about not considering an LTCI policy, I still could have moved in with her, but I would have received a lot more help than I did. I could have been able to have a caregiver in the evenings as well, which would have allowed me to work more hours when I needed to, and not miss many family functions I would have liked to attend. Life would have had a greater degree of normalcy if she had owned an LTCI policy.

When one achieves the age of 65, the odds of their using the benefits of an LTCI policy rise to 70%. At the beginning of this article, I asked you if you knew me. So now that I have shared my story with you, do you? Do you know someone just like me? Would you be willing to walk in my shoes? Do you still think you don't need an LTCI policy? [at](#)

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*Howard R. Berger, CLU, LUTCF, is known for his "Solutions-Based Thinking" approach. He brings a sound, practical perspective to helping his clients achieve their financial goals. Since 1980, he has been an advocate for clients and their goals, needs and dreams. He is a member of the adjunct faculty of The American College, teaching industry-related courses to fellow professionals, as well as providing informational seminars on a wide range of helpful topics to the general public.*

## Call for Nominations for NAIFA's 2018 Diversity Champion Award!



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**N**AIFA is seeking nominations for its **2018 Diversity Champion Award**, which recognizes members' exceptional efforts to promote full and equal participation of diverse people within the insurance and financial-advising profession. All nominations must be received on or before **June 5, 2018**.

The recipient of the award will receive a recognition award and a complimentary one-year membership in NAIFA. He or she will be recognized at NAIFA's 2018 Performance + Purpose Conference, which takes place Sept. 13 to Sept. 16 in San Antonio.

### Our Mission

NAIFA's mission in creating the Diversity Champion Award is to be a champion of diversity, recognize the value of our differences, and advocate for all members in our community. NAIFA embraces inclusion for all, including those who experience discrimination or those who are under-represented in the workforce

### Award Criteria

To be considered for the 2018 Diversity Champion Award, a nominee must be a member of NAIFA in good standing and must have at least five years' experience in the insurance and financial-services industry.

The nominee also:

- Creates and promotes a diverse and inclusive workplace.
- Raises awareness and foster communication in the financial-services industry and the community.
- Supports inclusion and encourages diverse individuals to reach their professional goals.
- Fosters awareness and a commitment to diversity and inclusion within the NAIFA membership.
- Provides insurance and financial services in underserved and diverse markets.

Please be advised that nominations do not roll over from one year to the next. To nominate someone for the **2018 Diversity Champion Award**, please visit <https://www.judgify.me/NAIFAdiversity2018> and follow the instructions provided. **at**

# Four Under 40

Nominate a Rising Star Now.

Someone you know is a leader. He or she is successful, of course, but also committed to their community, family and team. They're already a great example for their peers. Nominate them for Four Under Forty Awards. It's the recognition they deserve and the next step in their amazing career.

Winners will appear on the cover of the September/October 2018 issue of Advisor Today. But that's just the beginning. Past Four Under Forty winners have a proven track record of continued success through industry leadership roles, speaking engagements and increased peer recognition.

## How to Nominate

All NAIFA members are welcome to nominate a rising star for Four Under Forty. Nominees must be NAIFA members in good standing and 40 years of age or younger.

### Nominee:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Age: \_\_\_\_\_  
Local NAIFA Association: \_\_\_\_\_  
Designations: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Primary Carrier: \_\_\_\_\_  
Email: \_\_\_\_\_ Phone: \_\_\_\_\_ Cell: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_

### Nominator:

Name: \_\_\_\_\_  
Email: \_\_\_\_\_ Phone: \_\_\_\_\_ Cell: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Local NAIFA Association: \_\_\_\_\_

### Supporting Data

On a separate sheet of paper, please explain why the nominee should be considered for a *Four Under Forty* Award. Explain how the nominee made it to the top and the obstacles, twists and turns he or she overcame on the way to success. The more compelling the story is, the better. Also indicate if the nominee is a member of MDRT or any other industry association, and describe any industry and civic honors received.

### Three Ways to Nominate

1. Mail this form, along with the supporting data, to:

**Advisor Today**  
**2901 Telestar Court**  
**Falls Church, VA 22042**

2. Fax it to: Ayo Mseka at 703-770-8471

3. Email this completed form to [amseka@naifa.org](mailto:amseka@naifa.org)

Entries emailed or faxed must be received no later than **April 9, 2018**. Mailed entries must be postmarked by **April 9, 2018**. Nominations not received or postmarked by **April 9, 2018**, will be discarded.

For more information, contact Ayo Mseka at 703-770-8204 or at [amseka@naifa.org](mailto:amseka@naifa.org) 

Save Form

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Apply  
Today!



# THE SEAL OF DEDICATION

TO SERVICE, ETHICS AND EXCELLENCE

2018

## NOTE

This form is designed for use with Adobe Reader.  
<http://get.adobe.com/reader/>

[www.NAIFA.org](http://www.NAIFA.org)

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

The NAIFA Quality Award offers award qualification options  
for all NAIFA members from every practice specialty:

**Life Insurance and Annuities**  
**Financial Advising and Investments | Health and Employee Benefits**  
**Multiline | Combinations of Multiple Specialties**

SINCE 1945 THE NAIFA QUALITY AWARD HAS BEEN THE SEAL OF DEDICATION  
TO CLIENT SERVICE, ETHICS AND EXCELLENCE.

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For Generations, NAIFA Has Been  
a Symbol of Dedication to  
Service, Ethics and Excellence

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# NAIFA QUALITY AWARD

The NAIFA Quality Award provides advisors at any career stage, the opportunity to demonstrate a commitment to exceptional:

- Professionalism through education and earned designations
- Production measured by performance metrics customized for each practice specialty
- Adherence to the NAIFA code of ethics
- Service to your industry association

Advisors specializing in Life & Annuities, Financial Advising & Investments, Health & Employee Benefits, Multiline Sales or any combination of these specialties have the opportunity to demonstrate the quality that is the mark of a true professional.

One Award... The NAIFA Quality Award... reflects all the varied practice specialties of NAIFA members with a singular mark recognized by all. The NAIFA Quality Award is the mark of distinction to be recognized by not just your colleagues, but by your clients and companies. Be recognized for your commitment to excellence in service to your clients and your industry, in your pursuit of education and training and in your adherence to NAIFA's Code of Ethics. It is time for all NAIFA members to proudly display the mark of NAIFA Quality.

Complete and return one or more of the following applications to earn the NAIFA Quality Award in any of the four practice specialties. If your practice spans more than one specialty area, the unique bonus multiplier credits allow you to build credit toward your production qualifications by combining production across specialties. A demonstrated commitment to professional education and association leadership also earns you qualification credit.



The NAIFA Quality Award is a continuation of the former NAIFA Industry Awards. Previous recipients of the NAIFA Industry Awards carry over their years of achievement to the NAIFA Quality Award. Previous recipients of NAIFA's National Quality Award and National Sales Achievement Award will find the NAIFA Quality Award Life Insurance and Annuities Qualification is comparable. Previous recipients of NAIFA's National Multiline Sales Award will find the NAIFA Quality Award Multiline Sales Qualification is comparable.

**SECTION I: Personal Information**

TYPE OR PRINT CLEARLY

NAIFA Member ID Number \_\_\_\_\_

Name *(Include all designations as they should appear on list of award winners)* \_\_\_\_\_

Mailing Address \_\_\_\_\_ City/State/Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_

Local NAIFA Association *(Awards will be delivered to your local NAIFA Association)* \_\_\_\_\_

**SECTION II: Application Requirements**

- I am a NAIFA member
- I work in the insurance business or other closely related financial service industry
- I adhere to NAIFA's Professional Code of Ethics

**SECTION III: Qualifications**

Eligibility for the NAIFA Quality Award in the Life Insurance and Annuities category is based on policy persistency. The persistency requirements are based on a sliding scale depending upon the number of qualifying policies **sold in 2016** and **renewed in 2017**.

- 25-39 policies sold must attain 95% persistency
- 40-69 policies sold must attain 90% persistency
- 70-99 policies sold must attain 85% persistency
- 100+ policies sold must attain 80% persistency

If the Total Qualification Percentage (line **H** below) matches the minimum qualifying percentage for the number of policies sold (above) and all requirements have been met, the NAIFA Quality Award has been achieved.

**PLEASE COMPLETE THE FOLLOWING:**

A. Number of eligible policies paid for in **2016** ..... \_\_\_\_\_

B. Number of **2016** eligible policies on which any part of 2nd year premium was paid ..... \_\_\_\_\_

C. Persistency percentage % (Divide line **B** by line **A**) ..... \_\_\_\_\_

*(If you qualify using the criteria above, please move to Section IV-APPLICATION FEE.)*

**MULTIPLIER BONUSES**

If needed, the persistency percentage can be increased based on Multiplier Bonus credits earned. Complete the section below to determine your Multiplier Bonus and final persistency percentage.

**Assets Under Management Bonus**

Total of assets under management ..... \_\_\_\_\_

Number of years in the industry ..... \_\_\_\_\_

Years in industry	Assets Under Management
1-2	not eligible for bonus
3-5	\$2 million or more
6-10	\$5 million or more
11-15	\$7.5 million or more
16-20	\$10 million or more
21+	\$12.5 million or more

If you meet the minimum assets under management level for the number of years you have been in the industry, enter 5% on Line **D** below.

D. Assets Under Management Bonus ..... \_\_\_\_\_

Life Insurance and Annuities Qualification

**Eligible Policies**

All Life Insurance policies are eligible with the exception of:

- Group and wholesale contracts
- Policy changes
- Weekly premium insurance
- No policy credit will be given for automatic policy increases that do not generate first-year commissions
- Partial conversion of term policies which result in two policies during the same award year counts as two policies.
- 100% conversion of term policies which result in only one policy counts as one policy.

Annuities may be counted as individual policies in Life Insurance and Annuities production, or annuities may be counted as Assets Under Management for the multiplier bonus. However, annuities may not be counted in both categories.

**Apply Online**

[www.naifa.org/awards](http://www.naifa.org/awards)

**Mail**

NAIFA Quality Award  
P. O. Box 75057  
Baltimore, MD 21275

**Fax**

Fax to: 703-770-8486

**Email**

Email to: [bbnat@naifa.org](mailto:bbnat@naifa.org)

**Deadlines**

**May 31, 2018** – Applicant must be a NAIFA member in good standing

**May 31, 2018** – Application postmarked to NAIFA with \$40 application fee

## Life Insurance and Annuities Qualification

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### Deadlines

**May 31, 2018** – Applicant must be a NAIFA member in good standing

**May 31, 2018** – Application postmarked to NAIFA with \$40 application fee

### Health Insurance Production Bonus

Produce at least 15 eligible policies in 2016 with 80% persistency for 2016 and earn a 5% bonus.

- E-1. Number of eligible policies paid for in **2016** ..... \_\_\_\_\_
- E-2. Number of **2016** eligible policies on which any part of 2nd year premium was paid ..... \_\_\_\_\_
- E-3. Persistency percentage (divide line **B** by line **A**) ..... \_\_\_\_\_

**Eligible policies:** Individual Health Insurance; Disability Income; Long Term Care; Critical Illness.

If number of eligible policies is 15 or more and persistency is 80% or greater, add 5% to overall persistency percentage. If Line **E-1** is greater than or equal to 15 and Line **E-3** is greater than or equal to 80%, enter 5% on Line **E** below.

E. Health Insurance Production Bonus ..... \_\_\_\_\_

### NAIFA Leadership Bonus

Check off all for which you qualify:

- LILI Graduate
- NAIFA Local Association Officer, Board Member of National Committeeperson at any time during 2017.
- NAIFA State Association Officer, Board Member of National Committeeperson at any time during 2017.
- NAIFA National President, President-Elect, Secretary, Treasurer, Immediate Past President or Trustee at any time during 2017.

If you have checked off any of the above, enter 5% on Line **F** below.

F. NAIFA Leadership Bonus ..... \_\_\_\_\_

### Professional Education Bonus

Check off all of the following designations or degrees which you currently hold:

- LUTCF  CLU  AEP  CASL  CAP  MSFS

If you have checked off any of the above, enter 5% on Line **G** below.

G. Professional Education Bonus ..... \_\_\_\_\_

H. Add Lines **C** through **G** to determine your total qualification percentage ..... \_\_\_\_\_

## SECTION IV: Application Fee

### Application Payment:

\$40.00 application fee must accompany application in order to be processed.

- Check payable to NAIFA enclosed
- Credit Card:  MasterCard  VISA  AMEX

Name as shown on card: \_\_\_\_\_

Credit Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

**I hereby attest that all the information presented is correct.**

Applicant Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

Please Note: NAIFA may verify qualification information with your company. You do not need to have your company sign this form.

*Contributions to NAIFA are not deductible as charitable contributions for federal income tax purposes.*

**SECTION I: Personal Information**

TYPE OR PRINT CLEARLY

NAIFA Member ID Number \_\_\_\_\_

Name *(Include all designations as they should appear on list of award winners)* \_\_\_\_\_

Mailing Address \_\_\_\_\_ City/State/Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_

Local NAIFA Association *(Awards will be delivered to your local NAIFA Association)* \_\_\_\_\_

**SECTION II: Application Requirements**

- I am a NAIFA member
- I work in the insurance business or other closely related financial service industry
- I have provided a letter of Good Standing from a supervising principal or compliance department.  
A sample letter is available at [www.naifa.org/membership/awards/quality-award](http://www.naifa.org/membership/awards/quality-award)
- I adhere to NAIFA's Professional Code of Ethics

**SECTION III: Qualifications**

Eligibility for the NAIFA Quality Award in the Financial Advising and Investments category is based on total assets under management at the **end of 2017**. Qualifying totals for assets under management vary depending upon the number of years you have been in the industry.

Years in industry	Assets Under Management
1-2 .....	not eligible for bonus
3.....	\$3 million or more
4.....	\$4 million or more
5.....	\$5 million or more
6-10 .....	\$10 million or more
11-15 .....	\$15 million or more
16-20 .....	\$20 million or more
21+ .....	\$25 million or more

PLEASE COMPLETE THE FOLLOWING:

- A. Number of years in the industry..... \_\_\_\_\_
- B. Total of assets under management..... \_\_\_\_\_

If Assets Under Management Total (line **B**) matches or exceeds the minimum qualifying total for your total years in the industry (line **A**) and all requirements have been met, the NAIFA Quality Award has been achieved.

*(If you qualify using the criteria above, please move to Section IV-APPLICATION FEE.)*

**MULTIPLIER BONUSES**

If needed, the assets under management (AUM) total can be increased based on Multiplier Bonus credits earned. Complete the section below to determine your Multiplier Bonus and final AUM.

**Life and Health Production**

Produce at least 25 eligible life and health policies in 2016 with 80% persistency for 2017 and multiply your assets under management by 30%.

**Eligible policies:** Individual Health Insurance; Disability Income; Long Term Care; Critical Illness.

- C-1. Number of eligible policies paid for in **2016**..... \_\_\_\_\_
- C-2. Number of **2016** eligible policies on which any part of 2nd year premium was paid .....
- C-3. Persistency percentage (divide line **C-2** by line **C-1**) .....

If Line **C-1** is greater than or equal to 25 and Line **C-3** is greater than or equal to 80%, enter 30% on Line **C** below.

C. Life and Health Production..... \_\_\_\_\_

Financial Advising and Investments Qualification

**Eligible Production**

In determining the amount of your assets under management, include the securities portfolios for which you provide continuous and regular supervisory or management services including annuities, bank deposits and mutual funds based on the current market value of the assets as determined within 90 days prior to this application. Determine market value using the same method you used to report account values to clients or to calculate fees for investment advisory services.

**Apply Online**

[www.naifa.org/awards](http://www.naifa.org/awards)

**Mail**

NAIFA Quality Award  
P. O. Box 75057  
Baltimore, MD 21275

**Fax**

Fax to: 703-770-8486

**Email**

Email to: [bbernat@naifa.org](mailto:bbernat@naifa.org)

**Deadlines**

**May 31, 2018** – Applicant must be a NAIFA member in good standing

**May 31, 2018** – Application postmarked to NAIFA with \$40 application fee

## Financial Advising and Investments Qualification

### Eligible Production

In determining the amount of your assets under management, include the securities portfolios for which you provide continuous and regular supervisory or management services including annuities, bank deposits and mutual funds based on the current market value of the assets as determined within 90 days prior to this application. Determine market value using the same method you used to report account values to clients or to calculate fees for investment advisory services.

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#### NAIFA Leadership Bonus

Check off all for which you qualify:

- LILI Graduate
- NAIFA Local Association Officer, Board Member of National Committeeperson at any time during 2017.
- NAIFA State Association Officer, Board Member of National Committeeperson at any time during 2017.
- NAIFA National President, President-Elect, Secretary, Treasurer, Immediate Past President or Trustee at any time during 2017.

If you have checked off any of the above, enter 10% on Line **D** below.

D. NAIFA Leadership Bonus..... \_\_\_\_\_

#### Professional Education Bonus

Check off all of the following designations or degrees which you currently hold:

- FSS     CFP     ChFC     CASL     MBA     MSFS

If you have checked off any of the above, enter 10% on Line **E** below.

E. Professional Education Bonus ..... \_\_\_\_\_

F. Add Lines **C** through **E** to determine your total bonus percentage ..... \_\_\_\_\_

G. Increase the total assets under management (line **B**) by the total bonus percentage (line **F**) to determine your adjusted assets under management total ..... \_\_\_\_\_

If the adjusted AUM Total (line **G**) matches or exceeds the minimum qualifying total for your total years in the industry (line **A**) and all requirements have been met, the NAIFA Quality Award has been achieved.

### SECTION IV: Application Fee

#### Application Payment:

\$40.00 application fee must accompany application in order to be processed.

- Check payable to NAIFA enclosed
- Credit Card:     MasterCard     VISA     AMEX

Name as shown on card: \_\_\_\_\_

Credit Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

**I hereby attest that all the information presented is correct.**

Applicant Signature \_\_\_\_\_ Date Signed \_\_\_\_\_

Please Note: NAIFA may verify qualification information with your company. You do not need to have your company sign this form.

*Contributions to NAIFA are not deductible as charitable contributions for federal income tax purposes.*

**SECTION I: Personal Information**

TYPE OR PRINT CLEARLY

NAIFA Member ID Number \_\_\_\_\_

Name (Include all designations as they should appear on list of award winners) \_\_\_\_\_

Mailing Address \_\_\_\_\_ City/State/Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_

Local NAIFA Association (Awards will be delivered to your local NAIFA Association) \_\_\_\_\_

**SECTION II: Application Requirements**

- I am a NAIFA member
- I work in the insurance business or other closely related financial service industry
- I adhere to NAIFA's Professional Code of Ethics

**SECTION III: Qualifications**

Eligibility for the NAIFA Quality Award in the Health and Employee Benefits category is based on the total number of lives insured in effect at the end of calendar year 2017.

Please complete the table below to determine your qualifying points. A total of 150 points is needed for qualification for those in the industry for more than three years. For those in the industry three years or less, a total of 100 points is needed for qualification.

Individual Policies	# of Lives Insured	Points	Group Policies	# of Lives Insured	Points
Health	_____ × 1 =	_____	Health	_____ × 1 =	_____
Disability Income	_____ × 2 =	_____	Long Term Care	_____ × 3 =	_____
Long Term Care	_____ × 3 =	_____	Short Term Disability	_____ × 1 =	_____
Critical Illness	_____ × 2 =	_____	Long Term Disability	_____ × 2 =	_____
Medicare Supplements	_____ × 1 =	_____	Critical Illness	_____ × 2 =	_____
Cancer	_____ × 1 =	_____	Cancer	_____ × 1 =	_____
Accident	_____ × 1 =	_____	Accident	_____ × 1 =	_____
			Dental	_____ × 1 =	_____
			Vision	_____ × 1 =	_____
			Life	_____ × 1 =	_____

Individual Points ..... = A. \_\_\_\_\_ Group Points ..... = B. \_\_\_\_\_

**Total Points** (Individual + Group Line A+B) = **C.** \_\_\_\_\_

(If you qualify using the criteria above, please move to Section IV-APPLICATION FEE.)

**MULTIPLIER BONUSES**

If needed, your total points in line C above can be increased based on Multiplier Bonus credits earned. Complete the section below to determine your Multiplier Bonus and final persistency percentage.

**Assets Under Management Bonus**

Total of assets under management ..... \_\_\_\_\_

Number of years in the industry ..... \_\_\_\_\_

Years in industry	Assets Under Management
1-2	not eligible for bonus
3-5	\$2 million or more
6-10	\$5 million or more
11-15	\$7.5 million or more
16-20	\$10 million or more
21+	\$12.5 million or more

If you meet the minimum assets under management level for the number of years you have been in the industry, enter 10% on Line D below.

D. Assets Under Management Bonus ..... \_\_\_\_\_

Health Insurance and Employee Benefits Qualification

**Eligible Production**

**Individual Policies**

- Individual Health Insurance
- Disability Income
- Long Term Care
- Critical Illness
- Medicare Supplements
- Cancer and Accident Policies

**Group Policies**

- Life
- Health
- Short Term Disability
- Long Term Disability
- Long Term Care
- Critical Illness
- Cancer
- Accident
- Dental
- Vision

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**Deadlines**

**May 31, 2018** – Applicant must be a NAIFA member in good standing

**May 31, 2018** – Application postmarked to NAIFA with \$40 application fee

**SECTION I: Personal Information**

TYPE OR PRINT CLEARLY

\_\_\_\_\_  
 NAIFA Member ID Number

\_\_\_\_\_  
 Name (Include all designations as they should appear on list of award winners)

\_\_\_\_\_  
 Mailing Address

\_\_\_\_\_  
 City/State/Zip Code

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 Email Address

\_\_\_\_\_  
 Local NAIFA Association (Awards will be delivered to your local NAIFA Association)

**SECTION II: Application Requirements**

- I am a NAIFA member
- I work in the insurance business or other closely related financial service industry
- I adhere to NAIFA's Professional Code of Ethics

**SECTION III: Qualifications**

Eligibility for the NAIFA Quality Award in the Multiline category is based on your ability to write a large number of policies and cross sell additional lines to new and/or existing clients. There are three categories: new life policies, new property & casualty policies, and additional cross-sold policies.

**New Life Policies**

Eligible policies for Lines A-1 and B-1:

- All annual premium and flexible premium life policies (includes term conversion)
- Single premium life policies
- Renewable term policies
- Payroll deduction and salary savings (individual life policies)

**NOTE: YOU MUST COMPLETE LINES E-H TO GET FIGURES FOR LINES A-2, B-2, C-2, AND D-2:**

A-1. New Life applications for **2017**..... \_\_\_\_\_

A-2. Multiplier Bonus from line **H**..... \_\_\_\_\_

Multiply Line **A-1** by Line **A-2** and enter the result on Line **A**

A. Modified New Life applications Total..... \_\_\_\_\_

B-1. New Life premiums in **2017**..... \_\_\_\_\_

B-2. Multiplier Bonus from Line **H**..... \_\_\_\_\_

Multiply Line **B-1** by Line **B-2** and enter the result on Line **B**

B. Modified New Life premiums Total..... \_\_\_\_\_

If Line **A** is 40 or greater, please continue to Line **C-1**. If Line **A** is 15 or greater and Line **B** is \$20,000 or greater, please continue to Line **C-1**. If neither condition applies, you do not qualify for the award.

**New Property and Casualty Policies**

Eligible policies for Lines C-1:

- Fire and allied lines (includes personal and commercial)
- Casualty insurance (includes personal and commercial auto insurance)

C-1. New Property and Casualty policies in **2017**..... \_\_\_\_\_

C-2. Multiplier Bonus from Line **H**..... \_\_\_\_\_

Multiply Line **C-1** by Line **C-2** and enter the result on Line **C**

C. Modified New Property and Casualty Policies Total..... \_\_\_\_\_

If Line **C** is 250 or more, please go to Line **D-1**. If not, you do not qualify for the award.

**Additional Cross-Sold Policies**

Eligible policies for Lines D-1:

- All policies listed as eligible in qualification on Line C-1 above
- Individual policy pension plans and deposit administrated pension plans
- Annuities, annual, flexible and single premium policies
- Individual disability income policies (guaranteed renewable and/or non-cancelable)
- Individual health insurance policies (major medical and long term care)

Multiline Qualification

**Eligible Production**

**New Life Policies Eligible**

- All annual premium and flexible premium life policies (includes term conversion)
- Single premium life policies
- Renewable term policies
- Payroll deduction and salary savings (individual life policies)

**New Property and Casualty Policies Eligible**

- Fire and allied lines (includes personal and commercial)
- Casualty insurance (includes personal and commercial auto insurance)

**Additional Cross-Sold Policies Eligible**

- All policies listed as eligible in New Property and Casualty Policies above
- Individual policy pension plans and deposit administrated pension plans
- Annuities, annual, flexible and single premium policies
- Individual disability income policies (guaranteed renewable and/or non-cancelable)
- Individual health insurance policies (major medical and long term care)

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## Multiline Qualification

### Eligible Production

#### New Life Policies Eligible

- All annual premium and flexible premium life policies (includes term conversion)
- Single premium life policies
- Renewable term policies
- Payroll deduction and salary savings (individual life policies)

#### New Property and Casualty Policies Eligible

- Fire and allied lines (includes personal and commercial)
- Casualty insurance (includes personal and commercial auto insurance)

#### Additional Cross-Sold Policies Eligible

- All policies listed as eligible in New Property and Casualty Policies above
- Individual policy pension plans and deposit administrated pension plans
- Annuities, annual, flexible and single premium policies
- Individual disability income policies (guaranteed renewable and/or non-cancelable)
- Individual health insurance policies (major medical and long term care)

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D-1. Additional policies cross-sold in **2017** of an additional line for new and/or existing clients. (not an increase over the 250 applications necessary for qualification on Line C above)..... \_\_\_\_\_

D-2. Total Multiplier Bonus from Line **H**..... \_\_\_\_\_

Multiply Line **D-1** by Line **D-2** and enter the result on Line **D**

D. Modified Additional Cross-Sold Policies Total ..... \_\_\_\_\_

If Line **D** is 100 or greater (and you have met the criteria in sections **A-C** above) and if all requirements have been met, the NAIFA Quality Award has been achieved.

*(If you qualify using the criteria above, please move to Section IV-APPLICATION FEE.)*

**MULTIPLIER BONUSES** Please complete the following:

#### Assets Under Management Bonus

Total of assets under management ..... \_\_\_\_\_

Number of years in the industry ..... \_\_\_\_\_

Years in industry	Assets Under Management
1-2 .....	not eligible
3-5 .....	\$1 million or more
6-10 .....	\$2.5 million or more
11-15 .....	\$3.75 million or more
16-20 .....	\$5 million or more
21+ .....	\$6.25 million or more

If you meet the minimum assets under management level for the number of years you have been in the industry, enter 0.1 on Line **E**.

E. Assets Under Management Bonus ..... \_\_\_\_\_

**NAIFA Leadership Bonus** (Check off all for which you qualify)

LILI Graduate

NAIFA Local Association Officer, Board Member of National Committee person at any time during 2017.

NAIFA State Association Officer, Board Member of National Committee person at any time during 2017.

NAIFA National President, President-Elect, Secretary, Treasurer, Immediate Past President or Trustee at any time during 2017.

If you have checked off any of the above, enter 0.1 on Line **F** below.

F. NAIFA Leadership Bonus ..... \_\_\_\_\_

**Professional Education Bonus** (Check off all of the following designations or degrees which you currently hold)

LUTCF  ChFC  CLU  CPCU  CIC

If you have checked off any of the above, enter 0.1 on Line **G**.

G. Professional Education Bonus ..... \_\_\_\_\_

#### Total Multiplier Bonus

H-1. Add lines **E-G**..... \_\_\_\_\_

H. Add line **H-1** to 1.0 to determine your total multiplier bonus.

(enter this number on lines **A-2**, **B-2**, **C-2** and **D-2** above) ..... \_\_\_\_\_

## SECTION IV: Application Fee

#### Application Payment:

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Name as shown on card: \_\_\_\_\_

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**I hereby attest that all the information presented is correct.**

Applicant Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

Please Note: NAIFA may verify qualification information with your company. You do not need to have your company sign this form.

*Contributions to NAIFA are not deductible as charitable contributions for federal income tax purposes.*

**Q Why has NAIFA developed the NAIFA Quality Award?**

**A** First and foremost, the NAIFA Quality Award was developed to provide an opportunity for ALL NAIFA members to be recognized for excellence. The former Industry Awards included little or no opportunity for NAIFA members focused on financial advising and investments or health and employee benefits to achieve the award. The NAIFA Quality Award provides achievement criteria for every practice specialty: Life & Annuities; Health & Employee Benefits; Multiline Sales and Financial Advising & Investments.

Additionally, the NAIFA Quality Award production criteria allow applicants to earn points towards recognition in multiple practice specialties. This ensures the NAIFA Quality Award represents the many varied practices of NAIFA members.

**Q How do these awards compare to the previous NAIFA Industry Awards?**

**A** The NAIFA Quality Award Life & Annuities Specialty criteria and the NAIFA Quality Award Multiline Specialty criteria are very similar to the former NAIFA Industry Awards. The NAIFA Quality Award also provides an opportunity for NAIFA members with practices focused on health and employee benefits, financial advising and investments or a combination of specialties to qualify for the award. Previous recipients of the National Quality Award are likely to find you qualify for the NAIFA Quality Award Life & Annuities Specialty. National Sales Achievement Award recipients are likely to find you qualify for the NAIFA Quality Award Life & Annuities Specialty as well. National Multiline Sales Award recipients will find you now qualify for the NAIFA Quality Award Multiline Specialty.

**Q Is the NAIFA Quality Award an award for high levels of production?**

**A** No. While achieving substantial and measurable performance in production is a contributing criterion in achieving the NAIFA Quality Award, it is by no means the only measure of an advisor. The NAIFA Quality Award also recognizes an advisor's commitment to professionalism through education and earned designations; a commitment to quality service as exhibited through persistency and letters of recommendation, a dedication to your industry and your association through NAIFA volunteer leadership and stated commitment to NAIFA's Code of Ethics. The NAIFA Quality Award is not just about production. It is a mark of overall excellence an advisor can proudly share with colleagues and clients.

**Q I am a new advisor. Will I be able to achieve the NAIFA Quality Award?**

**A** Certainly any advisor will need some track record of achievement before they can qualify for the NAIFA Quality Award, but the criteria for the award have been carefully crafted to allow adjustment based on the length of time an advisor has been in the business. The goal is to ensure the award is a meaningful representation of quality for an advisor at any career stage.

**Q My company has always handled my application for NAIFA Industry Awards. Will they continue to submit my application for the new NAIFA Quality Award?**

**A** Many companies will work with NAIFA to confirm their advisors meet the award criteria, others will contact their advisors to alert them to their award eligibility and other companies will even pay the award application fee for their advisors who qualify for an award. In developing the NAIFA Quality Award, NAIFA worked closely with companies in each of the practice specialties to create an award that will be meaningful to companies as well as individual advisors. The expectation is that companies already committed to NAIFA Awards will continue with the NAIFA Quality Award. The hope is the appeal of the NAIFA Quality Award to advisors from every practice specialty will provide opportunities for even more companies to become involved in the award program.

**Q What is the value to me of receiving the NAIFA Quality Award?**

**A** Our companies and our industry have many awards available to us as insurance and financial advisors. The unique value of the NAIFA Quality Award is that the award distinguishes advisors who have demonstrated a dedication to quality service to clients, education and development, solid production, voluntary service to the industry and adherence to ethical conduct. This combination makes the NAIFA Quality Award a mark of excellence that even the most humble advisor should share with his/her clients. And, when the award is shared with clients, the NAIFA Quality Award and the NAIFA name will become synonymous with excellence in the industry. When NAIFA is recognized as the mark of quality in an advisor, it is good for the advisor, it is good for your association and it is good for consumers.



The NAIFA Quality Award offers award qualification options for all NAIFA members from every practice specialty:

- Life Insurance and Annuities
- Financial Advising and Investments
- Health and Employee Benefits
- Multiline

Combinations of Multiple Specialties  
Demonstrate your commitment to  
excellence and share the mark of  
distinction... The NAIFA Quality Award...  
with your colleagues and your clients.

**Apply Today!**

**National Association of Insurance and Financial Advisors**

2901 Telestar Court • Falls Church, VA 22042-1205

703-770-8100 • [www.NAIFA.org](http://www.NAIFA.org)

# Five Ways to Bump up Your Sales

These approaches will help put you one step closer on your way to the top.



RAWPIXEL.COM/SHUTTERSTOCK.COM

By Shane Westhoelter, AEP, CLU, LUTCF

**F**inding it difficult to get enough clients to do business with you? Don't despair. These tried-and-true ideas from a top producer might be just what you need to start filling up your prospecting pipeline.

**1. When working with clients or prospects, learn how to ask them for a "no" response, which can eventually lead to a "yes."**

All of us know that it is easier for many people to respond to a question with a no than with a yes. So when working with your clients and prospects, phrase your questions to them this way: "You would not mind if I were to ... Would you? This type of question tends to solicit a NO response, which is actually giving you a green light to move forward.

For example, you can ask a client or prospect:

- "You wouldn't mind if I drop information in the mail to you about my firm. Would you?"
- "You wouldn't mind if I contacted the people whose names you gave me and introduced myself and my services to them. Would you?"
- "You wouldn't mind if we fill out the application form to see if we can get a favorable rate and acceptance from the insurance company. Would you?"

**2. Ask a client or prospect the following question: "How much time do you have left to do what you want to do in life?"**

Get your client's current age and ask him what age he desires to live to. Then multiply the years he has left by 365. Multiply the days left by 24, and this will give him the hours he has left to achieve his desired dreams, goals and all the items on his bucket list.

For example, say his current age is 50. If he desires to live up to the age of 90, multiply the years left, (40) by 365. This is equal to 14,600 days. Keep in mind that the average person sleeps 7 hours per night, which means that he sleeps away 4,258 of those days, leaving him with 10,342 days. Multiply the days left by 24, which will result in 248,208 hours. Then ask him how he plans to spend those 248,208 waking hours. This will create a sense of urgency and hopefully persuade him to take action.

**Remember that it's not what you say, but how you say it that matters.**

If you want to make a real impact on your client, ask him to start a countdown clock for one day or one week and carry that clock with him wherever he goes. He should set the clock at 604,800 seconds, which is the number of seconds in one week. After completing this exercise, the client will be amazed to find out how quickly the seconds tick away as he carries out his daily activities. He will realize how quickly time flies and he will likely start taking the actions he needs to take to protect himself financially.

**3. When drumming up disability income (DI) and long-term-care insurance (LTCI) sales, encourage your clients to do two of the following activities and then tell you how they felt after doing them. The exercises are:**

- a. Put a glove or rubber band on the wrist of his dominant hand and don't use that hand for one day.
- b. Put a band on one leg, and when driving or going up steps, don't use that leg for one day.
- c. Put a blindfold on in his home for one hour and try to carry out his daily tasks.

Attempting to do these exercises will show him how difficult it will be to function if he is disabled or if he needs long-term care.

**4. Remember that it's not what you say, but how you say it that matters.** For example, if you say to a prospect that your first meeting with him is complimentary, it conveys the belief that you are working for free, or the meeting has no value. But if you say that the first meeting is at your expense, it conveys a sense of value and clearly demonstrates that it is not free.

**5. Next year, on the Friday night of Valentine's Week, host a "Prom Night" for clients who are over the age of 55.**

Tell them to dress to impress, and at the event, have a photo area where they can have their pictures taken. Give a copy of their photo to them that night, but keep one for yourself. Then, before your Annual Review Meeting with them, mail the photo from the "Prom Night" to them. Let them know that you are inviting them to "Date Night," and you will send a limo to pick them up and take them to your office for a "Review Dinner," which will also be on you.

This gesture shows that you appreciate their business and puts them in the right frame of mind to continue doing business with you. [at](#)

---

*Shane Westhoelter, AEP, CLU, LUTCF, is President/CEO of Gateway Financial Advisors, Inc.*

# How to Write Emails that Get Read and Get Results

Start by writing subject lines that are relevant, specific, and action-oriented.



MYIMAGINE/ SHUTTERSTOCK.COM

By Rebecca Klein Scott and Keith Scott

**Y**ou have a few minutes to play email catch-up before your next meeting starts. Some emails will grab your attention right away. If you have to keep scrolling down to search for the point of a message, chances are your attention will get hijacked and you'll move on to the next email. Then there are those emails that you *intend* to open later; instead they disappear into inbox never-never-land.

Your opportunity to boost the odds that your emails will get read and will produce results starts *before* your message begins. Here are a few steps you can take to make sure you write results-oriented email messages.

**Write subject lines that shine.** Be careful not to cast away subject lines as bit parts when it comes to producing your email message. The words you use become the deciding factor if your email will get opened. Make sure your subject line is relevant, specific and action oriented.

A vague subject line can quickly become the culprit of emails going unanswered. Let's say you need your recipient to sign off on a financial document. Instead of using a throwaway subject line like "Update," use the subject line: "Action: Signature Needed."

## **Keep your emails simple by using bullet points or numbers.**

The next time you need to set up a meeting with one of your clients, trade "Meeting" for "Meeting Request: Can you meet 8/1 or 8/3 at 10 am?" Adding the dates gives the impression that this is a more timely email message that needs a response. It is also easier to give someone a few dates to check than to leave it to them to come up with dates on their own. In the body of the email message, include a line or two about the purpose of the meeting and the proposed location.

**Remember that looks matter.** You've enticed your recipients to open the email. Now, you want them to stay long enough to read and answer you. If your email has long sentences and has no breaks between paragraphs, it will likely get closed back up. A few long paragraphs on a computer resemble a book chapter on a phone.

Keep your emails simple by using bullet points or numbers. If you have more than three items that need answers, avoid the chance that someone will only answer the first two questions by specifying how many

questions you need answered and use numbers.

Using attachments, especially if they require downloading time, means more chances for someone to get sidetracked and move on to another task. Use the body of the email for all information unless it's necessary to add an attachment, such as an important document requiring a signature.

**Clear away clutter.** Many emails require some sleuthing to figure out the point, with the meat of the message hiding between filler words and phrasing. Proofread your messages for these perpetrators:

- **Couched Language:** “I think,” “I feel,” “I believe,” “Just a thought” and the double whammy “I just was thinking” downplay your messaging and clutter your message. They also make the writer appear unsure and insecure. Imagine a surgeon telling you: “I was just thinking that this surgery should work.”
- **Commitment Phobes:** Words like “should,” “would,” “could,” and “maybe” quickly create a perception that you lack confidence and don't know what you are talking about. If you introduce a layer of doubt, people will take it to heart. The same goes for the phrase, “I would say ...” Avoid it because it sounds wishy washy.

Imagine your message as a Super Bowl commercial with big dollars spent for every word. Challenge yourself to delete any words and phrases that are not needed.

**Know when to go offline.** If your message gets batted back and forth three times without a resolution, or if you need to have what could turn into a difficult or heated conversation, pick up the phone or plan an in-person meeting. There are times when the best email etiquette is to take the conversation offline, reach a solution and then send a short summary of the agreement made to cover your tracks. [at](#)

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*Keith Scott and Rebecca Klein Scott are the duo behind TALLsmall Productions (TALLsmallproductions.org). Named for their heights of 6-feet-9 inches and 5-feet-2 inches, the Baltimore company leads communications workshops nationwide.*

# How to Close More Sales

The changes highlighted in this article will help you move closer to closing more sales.



ESB PROFESSIONAL/SHUTTERSTOCK.COM

By John Graham

**T**he training that many salespeople receive early in their career tends to stay with them, guiding them as they work with their clients. But new demands and expectations call for them to make strategic changes to keep up, stay relevant and close more sales.

Here are five changes you need to make right now to start improving your sales numbers:

**Change your thinking about what you know.** Salespeople are known for being sure (sometimes overly sure) of themselves. Although it takes self-confidence to keep going, it also has a risky downside. It can lead to believing we know more than we do. And nothing kills sales more quickly than arrogance.

A website designer's creativity gave him an initial edge with a prospective client. But in spite of his obvious talent, he lost the job. His presentation was his downfall. It was obvious that he had not taken the time to understand the organization or its services. He was so focused on what he was selling that he didn't have a clue of what his prospect wanted to buy. In other words, he didn't know what he didn't know.

Unless salespeople consciously challenge their thinking, they hand sales to the competition. All of us benefit by asking ourselves these questions: What am I missing? What don't I know? Are my assumptions correct?

**Change the way you prepare presentations.** Do you think you're at a place where you can "wing it" or that all you need to do to get ready for a presentation is to make a few notes or a quick outline, or review the presentation in your mind? If so, you're deluding yourself and short changing your employer and your customers. You may be good, but you're not that good. Like it or not, here's the truth: *If we don't write it down, we only think we know it.*

**Change the way you present to clients and prospects.** While presentations have several objectives, they all have one overriding goal: *engaging the participants*. Unless that happens, a presentation may be interesting and informative, but it's not a home run. Something is missing.

For a presentation to be a winner, it must be interactive — participatory. To invite participants to interrupt you by raising their hand to ask a question and then for you to pick up the thread and continue the presentation takes confidence. But it also sends the message that the participants are shaping the presentation. This may sound dangerous but it's well worth the risk.

**Change your persuasion strategy.** There are still salespeople who say, "If I can just get in front of prospects, that's all I need to close them." If you want to give it a name, call it "the power of persuasion." These salespeople

build their case in a way that leads prospects to the logical conclusion that their only reasonable response is to say yes.

While this sales strategy is still popular, keep in mind that more and more of today's consumers and business buyers are not buying it. They push back because they feel as if they're being "set up," "manipulated" or "pushed."

**Work in an environment that lets prospects find out if they can trust you, if your messaging makes sense, and if you are reliable.**

Today, *push* is out; *pull* is in. To positively influence buying behavior, you need to work in a sales environment in which customers can decide if they want to do business with you. It's an environment that gives them the opportunity to find out if they can trust you, if your messaging makes sense, and if you are reliable and responsive.

**Change how you relate to customers.** Even though companies continue preaching a customer loyalty message, they may be deceiving themselves. For example, Accenture's research indicates that 99 percent of retailers claim their loyalty programs perform at or above expectations, even though 71 percent of shoppers argue that such programs do not result in loyalty.

The trend is toward "tentative" or *quid pro quo* loyalty. "As long as you give me what I want, I'll be loyal. If that changes, so will I." This is the message. "These days, more and more consumers see their relationships with companies as an open marriage," say authors Itamar Simonson and Emmanuel Rosen in their book, *Absolute Value*.

Clearly, performance-based relationships are taking over. What counts today are consistently good customer experience, convenience, an easy payment process, new and innovative products, and excellent customer service, via phone, in-person, or online, according to a Blackhawk Network study.

Even if they are Amazon Prime customers who are paying \$99 a year, customers don't think twice about buying their products for less money elsewhere, particularly if there's free delivery. Clearly, performance-based relationships trump everything, including loyalty.

They say change is inevitable. If it's true, then there's no better place to start than with ourselves. **at**

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# How Technology Enhances Our Ability to Execute Basic Marketing Strategies

Technology supports the consistent execution of the actions that translate into success.



WHO IS DANNY/SHUTTERSTOCK.COM

By Troy Korsgaden

**M**arketing today is not much different from what it was when I started out as an agent in the insurance business more than 25 years ago. The fundamentals and basics remain the same.

Here are four marketing strategies I consider “must-haves” for any agency in growth mode:

- In-person relationship building
- Lead creation
- Working leads
- Consistency in following up

These fundamentals haven’t changed. What has changed is the way technology now makes these strategies easier to execute. Let’s look at these four strategies:

**In-person relationship building.** We meet people in different ways. One is by intentionally stopping by to greet people at their businesses on the way to work, on lunch breaks or on the way home. We call this the Introduction Program. It is scripted, polished and practiced so it comes across as sincere, with the customer in mind.

People buy from people they know and trust. But they can’t buy from you unless they know you. Nothing is better than meeting people in person — seeing their faces, shaking their hands and letting them see that you are a real person who isn’t always trying to *sell* them.

We use technology to make appointments to meet people, and then we capture and record the information we gather during the meetings. In time, we build a 360-degree view of their businesses, their families and the needs and products that support their personal goals and objectives. We are not order takers trying to get to the next quote. We are leveraging technology to build relationships and drive our business results.

**Lead creation.** A lead we *create* is the best lead. As mentioned earlier, talking with someone in person is the best way, but we use other methods, too. For example, we locate lists of people who are members of professional associations, such as an attorney bar association, a dental association or a real estate association. These are “suspects” who need to be turned into prospects.

Generally, we make an initial phone call to set up an introductory appointment. We don’t just pop by like we would at a retail business where anyone is welcome to walk in the front door. We also join community

organizations like service clubs, which are great places to get leads and referred leads. When you join a service club not to sell but to *serve*, and show your face in the community, you don't need to sell; the leads come to you automatically.

### **Technology allows us to follow up with leads consistently, determine who is the most likely to buy and focus on the most profitable markets.**

Customer relationship management (CRM) software programs and apps now make it easy to keep track of how you met people, what their needs are, what types of meetings you've had and what your next steps are. Our technology automatically sends out emails and letters to facilitate the process and keeps our focus on a vital activity: follow-up calls.

**Working your leads.** Simply giving price quotes to preferred leads — people you are building relationships with and meeting face to face — will not do the job in today's marketplace. Turning a lead into a real prospect (not a suspect) through regular contact is a must.

You can automate the marketing and management of your leads. Technology allows us to follow up with leads consistently, determine who is the most likely to buy and focus on the most profitable markets.

**Consistency in following up.** The most important strategy is to follow up on all your marketing efforts consistently. The real estate business is all about location. In the insurance business, it's all about follow-up. Agents and advisors who are consistent — and persistent — in their follow-up are more successful.

The same technology that enables us to automate the marketing and management of our leads also allows us to follow up with them consistently and provides analytics on what is working and what's not. Technology supports the consistent execution of the daily, weekly and monthly actions that translate into success. Most importantly, technology has freed up valuable time so my agency's team can focus more on the fundamentals. 

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cover story

# Sales Ideas to Propel Your DI Practice to the Top

Implement the ideas highlighted in this article if you want to find success in DI insurance.



ANTONIO GUILLEM/SHUTTERSTOCK.COM

By Joe Russo

**I**doubt that many of you reading this article got your start in the world of financial services by selling disability income (DI) insurance. Income protection, as some of us appreciatively call it, is an often overlooked and undervalued sector of the greater life and health insurance industry. Most agents and advisors have been naturally polarized by our industry, landing in one of the two main camps: life insurance and health or medical insurance.

And as far as branching out from these services, some may dabble in long-term-care insurance, annuities or even DI, but most of us keep to our core. This is what we know the best and what we do the most often to provide ourselves with continual income and our clients with optimal service.

## Top Takeaways

- Remember that DI does not sell itself.
- The average American must be guided early and often to DI.
- Market your business always and in all ways.
- Make sure to look outside the little box

But in this fast-paced business era, opportunities for excellence and growth abound, and the DI insurance marketplace is where we find newer and greater options than in any other sector. Recent increases in industry-wide competition, as well as advances in automation and digital marketing and sales, have allowed for the strongest and most progressive DI market the U.S. has seen in several decades. Now is the time to step outside your comfort zone and hone your DI sales skills.

### What works in selling DI?

So what is important when it comes to selling DI insurance? The first thing to remember is that DI doesn't sell itself. The insurance producer is the most important part of the sales equation. Your wholehearted belief in the product is key in relating to your clients and letting them know that DI is the cornerstone of a healthy and comprehensive financial portfolio. Without the protection of one's income or paycheck, nothing else will fall into place economically and one risks financial ruin. As an advisor, you must sell DI to your clients, showing them that the risks are real and are potentially devastating.

Providing a marketing brochure or a sales link on your website won't cut it. The average American must be guided early and often to DI insurance, because the average American has somewhat of a "Superman" complex. His natural instinct is that he isn't fallible and that the risk of becoming totally disabled and not being able to work is slim to none. Of course, we know that this is a complete fallacy.

Next, be sure to market your business always and in all ways. One brochure, one newsletter, one email blast or one mailer is not going to bring you the results you want. Hit your prospects over the head with many ideas, coming at them from many different angles and using a wide range of media options. Although some will argue that print media is antiquated, especially for millennial prospects, nothing can be further from the truth when it comes to DI insurance. I have recently had incredible results from industry magazine articles, mailers and print ads. They are institutional and they work.

### **The DI insurance marketplace is where we find newer and greater options than in any other sector.**

But don't hesitate to jump into the 21st century by exploiting social and digital media options. A blog or Facebook post may seem unprofessional or impersonal to you, but you may be reaching prospects who never put down their cellphones or laptops. And reaching out on social media just might hit all the right buttons with them.

Lastly, don't let your comfort level pigeonhole you into obscurity. I am quite aware of many colleagues who aren't willing to look outside that little box in which they do most of their business. They end up making a living, but not a real living. They tend to pass on new ideas and products that come their way, allowing for mediocrity. Don't be afraid of blurring lines and crossing over at times. If you are in individual DI sales, don't pass up group cases or employee benefits opportunities that cross your radar just because of a lack of familiarity with these areas. Turn that single attorney excess DI sale into a multi-million dollar, multi-life guaranteed issue sale on the entire law firm.

There are so many new ideas and avenues in the DI world at this time. It is an exciting market to be in, and if you heed my ideas and create some new ones of your own, you can make a fortune selling DI insurance. [at](#)

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feature

# Looking for Prospects in All the Right Places

Networking events, social media and speaking engagements—these are a few of the sources with prospects for a thriving practice.



SASHKIN/SHUTTERSTOCK.COM

By Toni Harris Taylor

**H**ow do you feel when you think about prospecting? Yippee! or Yuck? Depending on the prospecting method you are using and where you are looking for potential clients, I can see how it can go either way. But as you probably know, consistent prospecting is necessary to keep your pipeline of prospects full and to increase your sales. Without consistent prospecting, your business will quickly dry up and life will become difficult for you and your employees.

In this article, I will share some ideas that will open your eyes to where you can search for highly-qualified prospects so that you can start feeling good about doing something that is essential to the success of your business.

## Networking events

Networking events are among the best places to locate your ideal prospects—and the most desirable events are those that attract people in your target market.

The most critical part of finding your prospects in the right places is to know who members of your target audience are and where they hang out. Since you cannot be all things to all people, it is imperative that you define a crystal-clear target market.

If you have trouble defining your target market, get help from your manager or coach about the types of people you want to do business with. Find out the types of organizations or associations that cater to your target market. Are you a member of those organizations? Do you attend their events? If the answer is no to these questions, now would be a great time to join these groups and start participating in their events and meetings.

## Social media networks

Facebook and LinkedIn are prime prospecting grounds for strategically pursuing leads. Strategic pursuit means that you know specifically who your prospect is by name and/or by title. LinkedIn is primarily for connecting with leaders in business. If your target market consists of human resources directors, CFOs or CEOs, for example, then LinkedIn is the correct place for you.

### **Facebook is ripe with prospecting clues because it is where everyone shares news about their personal and professional lives.**

As you use LinkedIn, please don't aggressively "pitch" your prospect. Build a relationship first by reviewing your prospect's profile and then establish a common ground perhaps between mutual connections, school, previous employers, etc.

"Message" your prospect to see how you can help them and begin the relationship. Introduce yourself, explain what you do, ask how you might add value to their business, what they need and how you might serve them. When you use these techniques, you will be surprised at the number of conversations you can start.

Then there's Facebook. Ah! Yes. Facebook. Facebook is ripe with prospecting clues because this is where everyone shares the good news (and the bad news) of their personal and professional lives. Your Facebook friends give you hints that they need you all the time. They post their weddings, engagements, births, deaths, job changes, illnesses, and pictures of their adorable children and grandchildren. All of these are prospecting clues.

For example, if someone in your network posts that they just got engaged, that's a clue. Instead of just scrolling by, stop, comment (don't just like because it doesn't make you stand out) with a congratulations message and then go to messenger or pick up the phone and talk to them about their engagement. Get them talking about their fiancé and their wedding plans and then ask them if they want a premarital financial analysis. BAM! Just like that, you have an appointment!

Connect with your network and clients and pay attention to your news feed, and your friends will tell you exactly what you need to know to add them to your prospecting list.

## Speaking opportunities

Another great way to prospect is through the audience at a presentation. If you are a speaker at a networking meeting, for example, you get to stand out from everyone else and you have an opportunity to magnetically attract your ideal prospects.

Speaking is an awesome way to showcase your expertise and be the expert in the room with instant credibility. However, speaking is not just showing up and delivering a talk. It's also about having the talk strategically laid out so that it will attract your prospects to the point at which they will schedule an appointment with you. Speaking can get you more prospects in an hour than you can get by cold calling prospects in a week.

Prospecting is easy if you learn how to network in the right places, use social media to build relationships the right way and speak to the right audience that has your niche prospects. Combine these three strategies by networking in your target market, connecting with your network social media and paying closer attention to their posts, as well as by speaking, and you will change your attitude about prospecting from yuck to yippee! 

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feature

# Prospecting Ideas That Work

These ideas have worked for many advisors—and may do the same for you.



ALPHASPIRIT/SHUTTERSTOCK.COM

By Ray Vendetti, CLU, ChFC, and Robert Arzt, CLU, ChFC, LLIF

**Ask any advisor** what his biggest challenge is and he will most likely tell you that it is attracting a steady stream of highly-qualified prospects. If you, too, are having trouble attracting enough prospects, the ideas from these two industry experts will help you strike gold in your search for a more profitable practice.

## ***From Ray Vendetti, CLU, ChFC***

**Partner with other business owners to attract high-quality prospects.** Many prospects for new business lie right under our noses—they are our current customers. Programs like calling them to offer a rate quote at renewal time, informing them of the many discounts they're missing, or even offering an annual review, tend to have limited results. So how do you effectively “mine” your current customers?

One event that many of my coaching clients have conducted successfully is an open house at their offices. However, in order to attract attendees, you need to use more than “a come in and meet us” approach. An effective approach is to partner with another business owner and offer a free information-type seminar.

For example, you can invite a local wine merchant to present ideas on different wines by type, price, locality, etc. As you ponder this approach, though, keep in mind that wine tasting may not be allowed by your community regulations. However, you can offer a drawing prize of featured wines at the end of the talk. There will be more on this later.

Another good idea is to team up with a local nursery and offer tips on growing an organic vegetable garden

or on how to plan drought-resistant plantings (This is a big topic here in parched sunny Southern California!). Again, you can offer attendees a gift certificate for the nursery as a drawing prize.

Other ideas include having a travel agent on specialty cruises or vacation resorts or having a massage therapist talk about the benefits of therapeutic massages, with demonstrations. The ideas are limitless and you can become very specific, based on your customer base. Following each talk is an opportunity to have a drawing for a related prize, a gift certificate or discount coupons.

A great marketing idea is to have your guest invite his or her base of customers to your event. Both of you can benefit by reaching out to each other's customer base for new prospects.

The drawing for these prizes is extremely important. Create an information card for your drawing that includes your guest's name, telephone number and email address. But also include boxes that participants can check off for more information about the products and services you offer, such as college planning, retirement strategies, life insurance, or income replacement. You only call back the participants who checked off a box, and on some cards, multiple boxes will be checked.

This goodwill-type seminar that involves no selling will not only help you identify current customers who may have an interest in one or more of your products or services; it will also help you identify several new prospects from your partnering business customers.

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## **From Robert Arzt, CLU, ChFC, LLIF**

**Define your ideal prospect.** When I first started my insurance sales career, my mentor told me that the one skill I needed to master above all others was the ability to prospect. Of course, there were a host of other talents and traits that were also important to possess, but the truth is that if you didn't have enough people to work with, you were at great risk of failing. This had absolutely nothing to do with how accomplished you were with your product or case-design skills.

### **The best way to ensure your prospecting pipeline is always full starts by defining your ideal prospect.**

So, what is the best way to ensure that your prospecting pipeline is always full? It all starts with defining your ideal prospect. The problem that I see so often in my coaching practice is that advisors confuse personal characteristics with real identifiable target marketing prospect characteristics.

For example, wanting to work with people who are between the ages of 35-55, live in a certain geographic area, and have children and a spouse that they care about would be great; however, that description of the ideal prospect is not specific enough.

A better approach would be to pick a market segment with people who possess those characteristics, have something in common with each other and have a way to communicate with each other. In that way, your reputation will precede you and prospects in that market may hear about you first — before you ever have the opportunity to contact them.

However, finding a market segment that's the best for you may take some time. One way to get started is to find and develop a personal sphere of influence. To do this:

- Identify groups, organizations, businesses, social or spiritual organizations, etc. where you have been either successful in the past or present, have a good reputation and/or have active connections. I am referring to groups here and not individuals.
- Create a contact list of the people in the groups you have identified, reach out to them and offer to re-introduce yourself to them.
- Think about all the people you may know in those groups who you never really had a serious conversation with about what you do. Offer to meet with them, not to sell them anything, but to show them what you do. It is important to communicate to them that this is not a sales call.
- After showing them what you do via a sample presentation, case study, etc., ask them who they may know (inside or outside of the group) who might benefit from what you do.

You'll be surprised at how many people in your "warm" or natural market will agree to meet with you, how many will have referrals for you, and yes, how many will do business with you. 

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# Top-Notch Speakers to Present at NAIFA Performance + Purpose

By Tara Laptew

**N**AIFA Performance + Purpose is more than just the annual meeting of your association. It is inspiration, motivation and education for you and every advisor looking for success in today's competitive market. The conference, which takes place Sept. 13-16 in San Antonio, Texas, promises to be an unforgettable event chock full of offerings for all attendees.

You know Leigh Anne Tuohy, the keynote speaker for the Friday General Session, from Michael Lewis' book and *The Blind Side* movie, which starred Sandra Bullock in an Academy award-winning performance.

Tuohy will explore the importance of recognizing the full potential of individuals, inspire us to recognize the value in those that society has deemed valueless and challenge us to give whatever we can, whenever we can. Her latest book, *Turn Around: Reach Out, Give Back, and Get Moving*, will make you rethink what it means to be generous.

Rich Karlgaard, the keynote speaker for the Sunday general session, is one of the most influential figures in the technology, economic and business worlds. At the vanguard of developments in the global economy, politics, business and technology, Karlgaard is the thought leader that Fortune 500 companies, small businesses and national associations turn to for a reliable roadmap of what's to come.

Karlgaard is the publisher of *Forbes* magazine, where he also writes a biweekly column, "Innovation Rules," known for its witty and honest assessment of technology trends and current business issues. Drawing from his roles as a Silicon Valley-based journalist, investor and board director, Karlgaard's business consultant-like approach will help you gain a practical understanding of the events changing our world and their impact on business and industry.

Barbara Pietrangelo, one of the Big Ideas speakers for the Saturday general session, specializes in helping clients meet their protection needs through a variety of insurance products. Pietrangelo is an MDRT member with several Court and Top of the Table qualifications. She is also the past president of the MDRT Foundation.

It's true that most agents don't have a plan for their business succession. In "Insuring Success and Succession," Pietrangelo will discuss why it's so important to have a plan. She will also talk about practical ways to begin the process of insuring what you have worked so hard to build. If you are looking to build your business, this session is for you — with practical tips on how to approach colleagues about building a relationship that would benefit everyone involved.

Big Ideas speaker Marc Silverman is a 33-year MDRT member with 23 Top of the Table and six Court of the Table qualifications. He currently serves as a member of the Leadership and Volunteer Development Committee and is an Excalibur Knight of the MDRT Foundation.

Silverman will talk about how an agent can obtain Top of the Table status in "Prospecting and Marketing Your Way to the Top." You will walk away from his presentation with proven successful prospecting ideas you will be able to put to work immediately and not spend a fortune implementing. Your second takeaway will be how to have others prospect for you, rather than trying to do it all yourself. This session will be informative and uplifting and will provide you with many new prospecting ideas. Visit the AT Blog for more information on what Silverman will share during his presentation.

NAIFA Performance + Purpose is committed to being the top professional-development event for all agents and advisors. Find out more about this exciting conference at [www.naifa.org/conference](http://www.naifa.org/conference), and tell a friend to check it out, as well! 

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# Find, Engage and Keep Great Leaders

By Tara Laptew

**T**o learn to be a leader who makes people want to show up early, stay later and bring their whole selves to a task, you might need to go to the end of the earth. But you don't need to, because Antarctic Mike has.

Mike Pierce's (aka Antarctic Mike) search for the secrets of leadership has led him on an expedition to Antarctica twice. These journeys have changed his life and the lessons he teaches about life and leadership.

When you register for the 2018 NAIFA Performance + Purpose, be sure to sign up for the LILI 7 Workshop. Antarctic Mike will be the featured speaker this year. He has a successful 20-year track record of success in sales and in the recruitment industry, and as a professional speaker. An expedition to Antarctica changed his life. He learned a lot about himself and about business from his adventures, and will share these lessons with you.

Come to this extraordinary workshop and listen as Antarctic Mike talks about "Leading at 90 Below Zero, Extraordinary Results in Extreme Conditions." He will show you how to apply his below-zero lessons to both your business and your association.

This program is for leaders who want to:

- Develop the understanding necessary to build trust, camaraderie and strong working relationships.
- Learn how to make objective decisions when under pressure based on facts.
- Build solid teams of people who are fully committed to the tasks at hand.
- Increase their referral network of future customers, employees and strategic partner relationships.

You don't need to be a LILI graduate to attend this workshop. For more information on NAIFA Performance + Purpose, please visit [www.naifa.org/conference](http://www.naifa.org/conference). 

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## Maintaining Clients' Privacy

The first obligation in the NAIFA Code of Ethics is to help maintain our clients' confidence and protect their right to privacy.



NICOELNINO/SHUTTERSTOCK.COM

By Frank C. Bearden, Ph.D., CLU, ChFC

**I**n one of my columns last year, I noted that ethics is rules for our behavior that is aligned with our most important values. The NAIFA Code of Ethics states the values of our Association in the Preamble:

Helping my clients protect their assets and establish financial security, independence and economic freedom for themselves and those they care about is a noble endeavor and deserves my promise to support high standards of integrity, trust and professionalism throughout my career as an insurance and financial professional. With these principles as a foundation, I freely accept the following obligations:

The rules of behavior we commit to (called obligations) follow the Preamble. In this and future columns, we will focus on one or more of these obligations. In this first column in 2018, we will consider the first obligation in the Code: To help maintain my client's confidences and protect their right to privacy.

### A case in point

Bill and Simon are good friends and members of the local NAIFA. They were having lunch together. Simon's clients, Ron and Marcie Cummins, are owners of a successful car dealership in the city where Bill and Simon practice. The Cummins just opened a second car dealership. Bill began his conversation with his friend by noting that the initial dealership was failing under the previous owner and asked Simon the secret of the business success.

"Well, you will have to ask Ron and Marcie that question. Other than hard work, I don't know of any secret."

"The rumor," Bill continued, "is the business is much better financed through Marcie's father than when the first owner was here. Do you know anything about that?"

"Nothing I can discuss."

"And since I am examining the rumor trail, another rumor is Marcie's father provided a significant investment at just the right time. I assume all is well now, based upon the expansion of the business."

At this point, Simon sat up straight and noted, "There were some financial problems in the past-due sales and a delayed shipment that could have caused the business to fail, but that is now history. I guess you could say Marcie's father and his resources saved the day."

### What is the harm?

Most of us have shared lunch with friends who are members of our local association and have discussed business interests. Was there any harm in the discussion Bill and Simon had about Simon's clients? After all, what Bill wanted to discuss may have been an active rumor in the business community anyway.

The harm was that Simon told Ron and Marcie Cummins he would maintain absolute confidentiality about any business or personal matters shared with him and he did not. With that commitment, the couple shared their plans to revitalize the first auto dealership and purchase the second. Simon had been introduced to Marcie's father, the father's banker and his CPA.

### **We are given confidential client information as a privilege, and we have to treat the information in such a manner.**

Simon knew details about the Cummins' recent business success, which was material to two large life insurance policies recently delivered to the Cummins. In casual conversation with his friend over lunch, Simon revealed a significant point about the Cummins' businesses, even if it was told only in general terms. This was a violation of one of the obligations of the NAIFA Code of Ethics.

### What should have been done?

To gain insight from this hypothetical experience, we should realize that client confidentiality is a very important matter that we can violate without realizing that we've done so. We are given confidential client information as a privilege, and we have to treat the information in such a manner. Simon should have simply repeated his earlier comment: "Nothing I can discuss." 

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*Frank C. Bearden, Ph.D., CLU, ChFC, is managing member, Frank C. Bearden, LLC. Contact him at fbearden@outlook.com or at 210-724-1958.*

# Helping Clients Stretch Their Retirement Income

A critical first step is to help them implement the ideas highlighted in this article.



RETROROCKET/SHUTTERSTOCK.COM

By Andrew E. Crowell

The transition to retirement can be an exhilarating but also a stressful season for many clients. The newfound freedom to pursue those “someday” dreams is accompanied by anxieties of whether or not there are sufficient financial means to make them a reality. For this reason, a primary key to guiding clients to a successful retirement is thoughtful preparation and planning. Here are a few important steps:

## Create a budget and plan

As a first order of business, drafting a financial plan with your client will bring up a few questions that can help provide some reassurance or guidance on whether or not they’re financially ready for retirement.

Could they maximize their retirement contributions and company match for a few more years (including catch-up contributions)? Should they extend their employer’s health insurance plan a bit longer? What about their liabilities?

Itemizing a thorough expense inventory and determining what they can reduce or even eliminate before retirement can greatly help their future cash flows. Can they consolidate high-interest debt into one lower rate account? There are often more attractive borrowing and refinancing opportunities available while they are working than after they are retired.

Further, it is important to make sure your client knows all of his available retirement benefits. In addition to their company’s plans, other organizations and resources like AARP, the Veteran’s Administration, their parish and trade unions can offer valuable retirement benefits, which you can help them investigate. This can include anything from health insurance to discounts at a variety of establishments.

**A well-crafted asset-allocation plan balances risks and tax impacts, optimizes income streams and maintains a stable foundation during the unexpected events of retirement.**

Developing a realistic retirement budget is a critical part of the advance planning process. During working

years, many families sidestep this exercise because the regular inflow of paychecks seemingly dulls its urgency. However, when paychecks are no longer flowing, the importance increases.

Are their withdrawal assumptions reasonable? Is their portfolio asset allocation suitable to their needs and goals? Sensitivity to taxable and non-taxable withdrawals, staggering income streams and optimizing Social Security are all critical components to stretching retirement dollars and making sure your client doesn't outlive their nest egg.

### **Take advantage of the new tax plan**

For the first time in thirty years, the United States has a new tax plan, which began this year. While there are numerous changes and nuances to the law, the good news is that for scores of middle income families throughout the country, their marginal tax rate most likely has been reduced — meaning more discretionary spending (and savings) money.

Additionally, the final tax law did not include a mandatory First-In-First-Out (FIFO) rule, which had been under consideration in earlier versions. This means that individuals retain the potential for tax sensitivity and flexibility when selling investments during their retirement years.

One more potential positive of the final law for retirees is that there was not a change (as had been earlier considered) to the home sale capital gains exclusion. This means that retirees who may need or choose to downsize their home in retirement retain a meaningful tax benefit.

Elimination of personal and dependent exemptions, new caps on state and local tax (SALT) deductions, revisions to home mortgage interest deductions, changed medical expense deductions, etc., impact individuals and families differently. Guiding clients through the twists and turns can help them stretch their valuable retirement dollars by keeping more of what they earn.

### **Implement a blended approach to investments**

Conventional wisdom used to state that investors should own stocks during their accumulation (working) years to maximize their nest egg's growth potential and gradually shift more toward bonds as retirement approaches in order to reduce risk.

However, since breakthroughs in medicine are allowing investors to live longer, it may actually be the riskiest move for them to be overly conservative too early. During this period of historically low interest rates, locking in low yields may actually result in reduced future purchasing power as inflation rears its head and possibly causes them to even outlive their money.

A well-crafted asset-allocation plan balances risks and tax impacts, optimizes income streams and maintains a stable foundation during the unexpected events of retirement.

### **Optimize retirement income sources**

Ask your clients where their paycheck will come from in retirement. For most, the answer is a variety of sources, including: 401(k)s, Social Security, pensions, benefit plans and annuities. Optimizing these resources in the most tax-advantaged way possible is invaluable. Not all retirement accounts are created equal in this regard. For example, Roth IRAs and 401(k)s do not have required minimum distributions (RMDs) the way traditional pre-tax IRAs and 401(k)s do, and further, qualified distributions from them are tax-free. This means that these instruments can grow longer and distribute in a more tax-advantaged way than other retirement income sources.

Social Security optimization is also a critical retirement income strategy. While individual situations vary, as a general rule, delaying the receipt of Social Security income can result in larger total payments.

Additionally, some retirees seek to reduce uncertainties and risk in retirement through "guaranteed" products like insurance and annuities. While these can be appropriate in many circumstances, it is important to know that these products come in many shapes and sizes so careful comparison shopping and review of the fine print can help avoid unexpected surprises like abnormally high fees, long "lock-in" surrender periods, and adverse tax treatment.

Simply knowing what your client's retirement income sources are is only step one of proper retirement planning. Helping them optimize those sources can ensure they maximize those precious funds and stretch them for as long as possible. [at](#)

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# What's Your Greatest Economic Asset?

It is your ability to make a living.



FF-PHOTO/SHUTTERSTOCK.COM

By Brian Ashe, CLU

**W**hen most people are asked what their greatest economic asset is, most of them would respond: “My house” or “My 401(k) plan.” Yet, the reality is that for the largest portion of our population, their greatest asset is their ability to make a living, to be employed and to generate a paycheck.

This is because without a paycheck, the house mortgage doesn't get paid and the 401(k) deferrals never happen. Most of us run our households on two paychecks a month—and most of us would be in big trouble if those paychecks stop for even a short period of time.

Aside from being laid off or fired, the primary threats to those paychecks are getting sick or hurt and not being able to do our jobs any more. In fact, studies show that approximately 49 percent of mortgage defaults in the U.S. are attributable to medical problems. And a 2018 study commissioned by Life Happens (What Do You Know about Disability Insurance, Life Happens 2018), notes:

- Seven in 10 employed Americans would feel a financial pinch in one month or less without their paycheck.
- 54 percent of millennials say they would be in a financial pinch in less than 2 weeks.
- Only 20 percent of working Americans say they have disability income (DI) insurance.

This is a recipe for financial disaster! In my career, I have had 33 clients experience disabilities, which made them eligible for DI insurance benefit payments. One high-earning client is in his 25th year of claim and has received about \$5 million tax free dollars to put two kids through medical school, put another child through Notre Dame Law School, maintain his lifestyle and never have to invade his other assets early to accomplish this. His family's economic life went on, even though his paychecks stopped.

**Whether a client is earning \$80,000 a year or \$400,000 a year, a portion of that income has to be protected.**

But whether a client is earning \$80,000 a year or \$400,000 a year, a portion of that income has to be protected. So what should you say to your prospective clients about protecting their paycheck? Do we overwhelm them with statistics?

My suggestion is to simply ask them some questions — questions that give them choices.

Ask them questions like: “Would it make a substantial difference in your lifestyle if you didn't have \$200 a

month?” (probably not) “Would it make a substantial difference in your lifestyle if you didn’t have \$4,000 a month?” (Sure. couldn’t make my mortgage or car payment or put food on the table, etc.) “Well, if you give me \$200 a month (the DI insurance premium), we can make sure you continue to get \$4,000 per month to pay your bills if you got sick or hurt. Can you think of any reason you wouldn’t do that?” How long has it been since you asked that question of your clients?

### **May is Disability Insurance Awareness Month**

Disability Insurance Awareness Month (DIAM) is this May. And if you want some really engaging and fresh resources — from videos, to social media posts, to research studies — to help you tell the story of the need for paycheck protection, go to [www.lifehappenspro.org/diam](http://www.lifehappenspro.org/diam). This is your source for the best life and disability consumer education material our industry has ever produced.

As noted above, consumers really need an “awareness” refresher. And most clients buy on emotion and justify their decision with the facts. Life Happens has resources for both rationales and can be your most important asset during Disability Insurance Awareness Month! 

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