



**BILL
DYESS**

CLTC, has been a licensed insurance professional for 35 years and is president of Dyess Insurance Services. He started his education in Franklin, MA, at Dean College and is a University of Miami graduate as well as a former Miami Hurricane football player.

Dyess has served as president of the Health Underwriters Association in Miami and Ft. Lauderdale and was also the recipient of their highest honor, the Stanley Greenspan Memorial Award. Presently, he serves as a board member of the Greater Ft. Lauderdale Financial Planning Association and is the director at large for the Florida State Financial Planning Association. He also served for 17 years as vice president of the executive committee board for the National LTC Network. He is a nationally recognized speaker on long term care, life insurance and annuities as well as a continuing education provider for industry professionals.

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Partnering For LTCI Success

As our industry grows larger there are more and more agents trying to build their client base. One way of doing that is getting more involved with financial planners.

About eight years ago, I met up with a college buddy—Paul. We started to get together and go to the University of Miami basketball games, grab a beer, etc. During that time, we began a lively discourse about financial planning versus the role long term care insurance plays in protecting a financial plan. This was a conversation that would prove invaluable in my career.

Along the way, I became involved with my local, state and national financial planning associations. I learned a lot about the way these professionals think and how they take care of their clients. In doing so, I expanded my client base exponentially.

Why establish relationships with financial planners, you might ask?

In doing so, you are trading on a concept well known to psychologists called *trust transference*. You basically have well-established professionals who already have relationships with their clients. When they recommend you, you are trading on an already established relationship and, therefore, creating a transfer of trust.

As insurance agents, we all know that gaining a prospect's trust is difficult. Most of the time we approach a sales situation believing that we have a "no" and that we have to try to change that into a "yes." The beauty of the trust transference is that you basically start with a "yes." Then it is just a

matter of product fit, the client's financial desire to allocate a certain amount of money to this probability and, of course, the client's health history. In other words, the "yes" is basically yours to lose.

If you can establish your credibility in a relationship with a planner, you can basically gain the ability to write business for each of the clients that planner refers to you. Remember, you are dealing with people who plan for eventualities—the perfect client profile for LTCI products.

So how do we establish relationships with financial planners and other professionals?

We have to take the same basic approach that we would with any client. Even though the planner is helping you with a referral, make no mistake, the planner is your client, and there are several considerations that you have to keep in mind when you are accepting referrals.

First, make sure you are clear about the planner's wishes for his clients. Also remember, just because you have this trust transference, you don't necessarily have a release of information.

That said, the relationship with the planner is your goal. In some ways, you can employ the strategies you would with any client, right? Though this is true (e.g., we have to call, be dressed professionally, arrive prepared and on time), there are other considerations when partnering with this group of savvy professionals.

Primary to establishing such a relationship and creating a referral source is that

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you must be aware of the way each financial professional prefers to do business. It is typical for financial planners to focus on their clients' asset accumulation. In a manner of

speaking, by selling LTCI, you are creating a conflict, because you are suggesting that their clients spend accumulated assets.

The question then becomes how do we

package LTCI as an investment. Most commonly, LTCI is packaged as a risk. Yet "risk" is a word that I strongly suggest you remove from any relationship-building strategies you employ with financial planners. Most of the time, the risks they are accustomed to thinking about are in the equity and bond markets. Instead, LTCI can be presented as an investment "probability" for their clients.

We all know that financial planners are numbers people. Thus, you must be prepared with really good statistics. Use "gold standard" statistics from LIMRA and from carriers.

For instance, we know 70 to 75 percent of us will need long term care and that the average claim is three to five years in length. Thus, the claims numbers could range from \$250,000 to more than \$1 million. Ask the financial planner if that is an expense his clients would be comfortable with. In reality, the financial professional doesn't want his client's portfolio to be down 40 percent at the same time there is a long term care claim. In such a case, the client would have to draw on an asset-deprived portfolio to finance a claim without the benefit of having planned for its probability. If you present this picture, with reliable statistics, you are not working from a scare tactic but from an everyday basic plan.

You can also make the distinction between disability insurance and LTCI. Financial planners understand that their clients need to protect their income, right? It makes sense to have this discussion, because the differences in LTC versus DI repackages LTC as an investment. LTC can be packaged as a cash or reimbursement model that covers any chronic care claim.

In my own mother's case, she bought LTC when she was 57. (Although this was some years ago, the ratios are not that different today.) By 62, she was diagnosed with chronic obstructive pulmonary disease (COPD) and, ultimately, needed 24-hour care. She paid a total of approximately \$8,921 for her policy, and her LTCI policy paid \$330,000 over the course of 22 years.

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"What is the longest vacation you've ever taken?"

Two weeks? A month?

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Think of the return on her investment!

A well-known physician in South Africa, Dr. Marius Barnard, who actually started critical illness insurance, said it best: "It's not because you are going to die, it's because you are going to live." Stories like these help planners change their cognitive thinking and help them understand the value of our products by demonstrating how it protects the portfolio.

Another way to invite planners to think with you about how LTC is an investment is by using ratios. Investigate their client's portfolio size and, using ratios and return on investment, help them see that LTCI is a relatively small percentage of a portfolio but that the return is exponential. Calculate the percentage of the portfolio a client would pay and compare the ROI. You are using a method of successive approximation to

help the planner see that it makes sense to have LTCI.

Another thing to consider when establishing relationships with financial planners is the different approaches to compensation. Some planners are fee-only and charge fees for their expertise (approximately 1 to 2 percent of a client's assets, usually quarterly). Other planners are fee-based, collecting fees plus receiving commissions from insurance sales. Depending on your level of compensation with each carrier, you have to determine which planners suit your business.

Changing your language with a financial planner is essential. Planners generally prefer to use terminology such as revenues versus commission and, as mentioned earlier, investment versus risk.

There are many elements to consider

when working in the financial planning marketplace. As you get to know a planner, if you pay attention, everything should fall into place. Get involved with your local financial planning organization, listen to how they communicate, and then incorporate their language into your approach.

Using the latest technology is great, but when I go on the elephant hunt, I get down to basics: call, listen, follow up, attempt to be readily available to answer any questions and educate.

Never be afraid to share your knowledge, it only makes a relationship stronger. Plus it will give you a legitimacy that is very potent and offer you the opportunity to develop a powerful group of alliances with professionals who can enhance your business growth and offer you the opportunity to leverage yourself exponentially. 🌐

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