

Sales Idea:

Tips for Selling Disability Insurance



Some clients may understand the need for disability income insurance, but still resist purchasing a policy because they don't want to "lose" those premium dollars if they never use the coverage. Return of Premium offers a way for clients to get back a percentage of their premium dollars (less any claims paid).

The Need:

Cost-conscious clients need to see the advantages of purchasing a product they may never use:

- They need to "justify" the purchase by getting something tangible in return.
- They may see the need to protect their income, but as "value-minded" consumers, they need something more to help them commit to the purchase.

Who to Prospect:

- Full-time employed individuals, issue ages 18-57.
- Individuals who may be willing to pay more for disability income protection to get a return on their dollars if they don't use the policy.

The Solution:

Offer the Return of Premium (ROP) Rider* on a short-term or long-term disability insurance policy.

- This "money-back DI" solution provides a lump sum return of a specified percentage of premiums paid (80% or 50%) less any benefits paid at the end of each term (usually 10 years).

Although policy premiums will be higher with ROP, emphasize the "value" of being able to use the returned amount any way your client wishes. Perhaps they can make a lump-sum payment on a mortgage or add to a retirement fund. Remember, you are offering something "tangible" they may find attractive. Be sure they understand the returned premium amount would be less any DI benefits paid. Remind your client of the real value of protecting their lifestyle and providing for their family should a disabling illness or injury keep them from earning an income.

*Not available in all states.

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