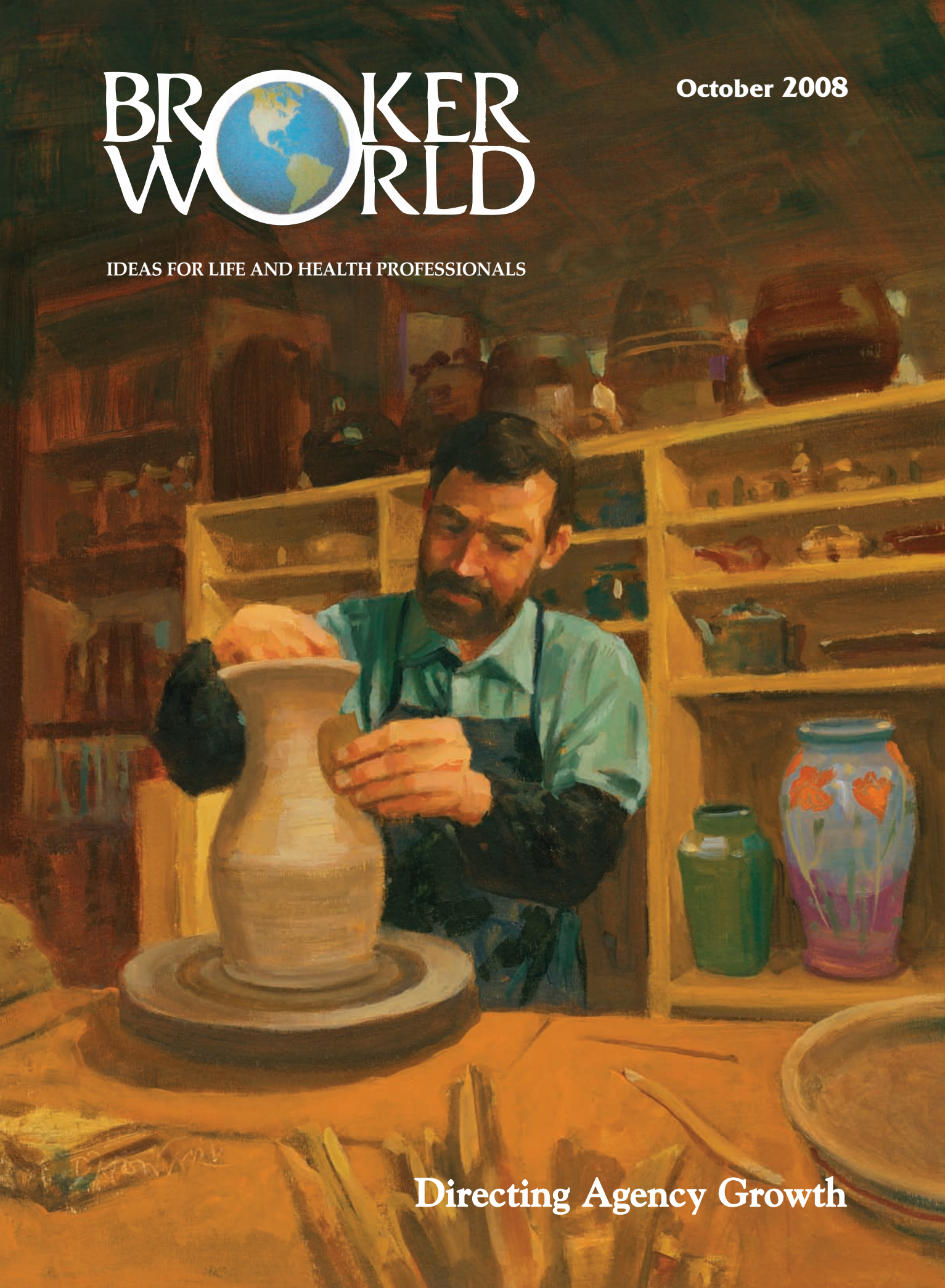


# BROKER WORLD

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IDEAS FOR LIFE AND HEALTH PROFESSIONALS



Directing Agency Growth



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# Seven Ways To Increase The Average Premium On Life Insurance Sales

When working on a life insurance case, producers are often so involved they can forget to look at the big picture. Even though the particular recommended solution is sound and satisfies the client's needs, quite often there are other possibilities that may be even more appropriate. Keeping them in mind can be difficult at best.

Here are seven ways to increase the average premium, while at the same time serving clients even more successfully.

## Three Term Life Strategies

**1. Always show the next available level term period in addition to the period requested by your client.** Providing options changes the applicant's mindset from "Should I buy this proposed plan or not?" to "Which of these plans should I consider?"

**2. For 20- and 30-year level term sales, propose return of premium as an alternative.** A client may prefer "renting" a life insurance policy and then getting all of his money back later, rather than "buying" it at a lower cost and having nothing in return should he live for the level period.

**3. When quoting amounts also show the next band break as an alternative.** For example, if you're showing face amounts of \$200,000 and \$400,000, include proposals of \$250,000, \$500,000 and \$1 million. This strategy often provides a much better pricing option for a client, as well as additional coverage. It also makes it possible to engage the client in a conversation rather than a "sales pitch."

## Four Universal Life Strategies

**1. When quoting secondary guarantee no-lapse UL products, also consider the benefits of presenting "plus" type products that offer the same guarantees but have significantly better accumulation values for only slightly higher premiums.** We all know that the insurance industry is constantly improving

products, and there is no sense in taking the client out of the 1035 market in the future by selling him a "no frills" policy. The cash that would accumulate in a "plus" type policy could be rolled into a newer and better plan and offset future premiums caused by buying a new policy at an older age.

**2. When proposing current assumption UL cases in which the focus is on accumulation, consider a non-par whole life product that affords the client much better accumulation and takes the moving parts, such as interest and expenses, out of the equation.** This may increase the premium by 20 to 25 percent, but when you compare the return on the additional policy value, your client will clearly see the advantage of paying the extra premium and may prefer this option. If you don't show this alternative, the client will never know.

**3. When proposing no lapse coverage for applicants under the age of 50, consider showing two sales scenarios: one being a lifetime payment schedule and the other a limited pay to age 65 or 70.** Today, many clients are concerned with their post-retirement expenses and may see this as a way to eliminate one of those costs.

**4. Be aware of target premiums when proposing UL plans to clients.** Several carriers offer rolling targets and may pay additional first year premium in the second year of the policy. This is especially important when a sale is being proposed in which the coverage is not designed to last to age 100. There could be commission dollars left on the table that rightfully belong to you.

While these strategies offer ways to increase premium, they do so by engaging clients in a discussion of choices. In effect, they help the client become more aware of how life insurance can benefit their financial future.

Producers who take advantage of these seven strategies will also be rewarded for their extra effort. 🌐