

FOCUS: Agency Building ▼

Tips for building a successful Estate Planning Practice

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The moment a prospect goes silent and the eyes glaze over, it's over. You're not going to get the sale. At the close of a life insurance presentation, it would be interesting to ask clients to summarize in their own words what they had just heard. How many could even come close? How many would just shake their heads? How many wouldn't even try?

Having been in life insurance sales for 30 years, I'm impressed by the way we have talked our way out of a high

percentage of possible sales. If our prospects come away confused, how do we expect to close cases?

Now, there's no question that many advanced sales strategies are complex, difficult to understand and require an extraordinary amount of knowledge and experience—as well as assistance from outside experts.

Setting all that aside, there's a simple and appropriate solution for meeting the life insurance needs of 95 percent of the clients. For some reason, we either think that making life insurance complex will impress clients—or we're not really clear about what we're asking them to buy. Either way, we leave without making the sale.

Buyers are looking for simple, clear-cut term life products they can understand.

Recently, a broker described the experience one of his clients had with another agent, a hard working, responsive career agent who recognized that he needed assistance in dealing with an existing split-dollar policy.

At a meeting, the agent brought along the company's regional "specialist" who said she had not had an opportunity to prepare properly and then proceeded to race through a series of comments riddled with jargon. Later, the agent apologized to the client, admitting he didn't have a clue as to what his associate was talking about!

Within the first few minutes of the meeting, the client had made up his mind to look elsewhere. He wanted a solution they could feel comfortable with. As it turned out, we were able to help with one that was straightforward, clean and, yes, easy to communicate and comprehend.

There's a lesson in all this: We should never forget that success in selling life insurance is a matter of making sense to the client.

This includes estate planning life sales. Many high net-worth individuals die every day with incomplete or inappropriate estate plans.

Time and again, we see the results of insurance programs that have not been thought through carefully, executed properly or inadequately funded with life insurance to protect the assets for distribution to the family. The right steps have not been taken to minimize estate shrinkage from unnecessary probate expenses and other costs that could have been easily avoided.

Of course, there are state and federal income tax issues. Of course, there are legal implications. Of course, there are specific needs of family members. All of these are not only complicated, but intimidating—to an agent or broker—let alone clients.

In this environment, how can a life insurance producer build a successful estate planning practice?

There's certainly no substitute for knowledge

Bluffing won't work and neither will a lack of preparation. Clients expect more than a broad smile, a joke, and feigned interest in their situation. They listen carefully, asking themselves one question: Does it make sense? If it does, they continue to listen. If not, they are mentally gone.

The point is clear: there's no way to bluff your way through estate planning cases. While no agent will have all the necessary expertise, it's essential to read journals and attend seminars and classes that bring you head-to-head with actual cases.

And, frankly, avoid those sessions that offer "sales techniques." Your goal is to build your knowledge. When that happens, the sales techniques will take care of themselves.

Professional courses leading to LUTC, CLU, CFP, ChFC and other designations should take priority.

Develop excellent communication skills

This can't be overemphasized, and it's not an option. The ability to express

ideas and concepts clearly to those who are not familiar with them is the test we all must pass.

Many of the problems in life insurance selling that have surfaced over the past decade may not have occurred if the clients understood what they were buying. This does not minimize the responsibility of those who chose to, one way or the other, mislead them, either directly or indirectly.

Going through a presentation that's technically accurate isn't good enough. As we all know from personal experience, no one wants to be thought of as dumb. So, rather than letting us know they don't understand what we're talking about, most remain quiet. While this is changing and clients have higher expectations, causing people to feel inadequate or uninformed kills sales.

There are several possibilities for becoming an expert communicator. Find a coach, someone who can listen to your presentations and give you feedback. Better yet, ask two or three clients to meet with you and critique your presentation. Find out what was clear and what wasn't. Ask them if you focused on their needs. Have them tell you if the presentation would result in a buying decision.

Focus on a particular target market

Needless to say, there's still plenty of room for generalists in life sales. At the same time, the direction is moving toward developing niche market expertise.

Taking into account your personal background, the market where you are working, and your personal interests, you may want to position yourself as specializing in either estate preservation and creation or wealth accumulation.

There are other approaches, too. One is focusing on a particular age group. This has interesting possibilities, particularly for a younger agent. Start with your contemporaries and move with them through their lifecycle. Another might be to choose a particular size of estate or a particular estate problem.

The objective is to become known as an expert within a particular niche market. In a day when the public recognizes that expertise can be valuable, even a narrow niche can help separate you from everyone else who happens to be selling insurance.

Align yourself with the right resources

In many ways, selling life insurance can be an isolated profession. It's quite similar to individual legal or accounting practices. The proliferation of books, seminars, periodicals, newsletters and computer programs reflects the rather solitary way we do business.

Study groups are a good example of agents trying to overcome their isolation. For many years, these were popular, with 10 or 12 practitioners getting together periodically to learn together and interact with each other. For many a successful agent, a study group was a top priority and nothing dared interfere with their attendance.

While there seems to have been less interest in study groups over the past decade, there are indications of renewed interest. Agents are asking for these opportunities.

Without question, competence today demands the right resources. No one can know everything, but we need to know where to find what we need to know. Aligning a practice with a brokerage firm that offers the precise products you need is essential. Life insurance companies are developing areas of expertise. In those particular areas, they are highly competitive, but perhaps far less so in others. Having access to a wide variety of product resources is not overkill today. It's absolutely necessary. Yet, all this is only the starting point.

Beyond the products, there is also the brokerage firm's ability to deliver solutions that solve client problems. Products alone don't do the job. You should expect them to provide you with adequate coaching that allows you to feel comfortable in making your presentations.

Focusing a practice on estate planning can offer both professional and monetary rewards. While demanding, it's also an effective way to distinguish yourself from others in the life insurance field.

At a time when estates are growing and proper planning can enhance a client's assets, it's a field that's worth pursuing. ▲