PeopleFirst: Development

DI Sales Training
Intermediate Session 1
Underwriting Process

Keith Hoffman, Vice President, NFP Disability
Intro - Set Up

• 1 hour meeting
• Virtual Classroom
  – Take notes
• Questions?
  – Click the “Raise Hand” button to let us know you want to speak.
• Chat
  – Use to message the host or other participants
Agenda

Review of Basic Sessions

#1 - The Need for Income Protection

- Prospecting versus Storytelling – “A good salesperson finds the need, a great salesperson creates the need”…………Tell a story!
- Homework – Get proposals ordered from the NFP DI Business Center

#2 - Proposals and Presentations

- Proposals and Applications
- Sales Idea – “To Consult or Not to Consult, That is the question?”
- Homework – Make a few “presentations” or “mentions” of Disability Income Protection
Agenda – Underwriting Process

• Underwriting
  – Financial
  – Occupational
  – Medical
  – High Limit
  – Hard to place Occupations
  – Impaired Risks

• Sales Idea – “The Ditch of Disability”
Financial Underwriting

- Income Replacement – Carrier Guidelines
- Earned vs. Unearned (Rents, royalties, residuals)
- Salary (W-2)
- Commissions (W-2)
- Incentives / Bonuses (W-2)
- Schedule C – Small Business Owners (DBA’s)
- Schedule E
  - K-1 income, passive vs. non-passive
- Corporate Entities
  - C Corp
  - S Corp
  - LLP
Occupational

• White Collar
  – Professionals – Physicians, Attorneys, CPA’s
  – Executives – Duties and Income
  – General with no manual labor
• Gray Collar
  – Field supervision with no labor – Surveyors, Adjusters
• Blue Collar
  – Manual labor – Carpenters, Plumbers, Electricians
• Hard to Place Occupations – Policemen, Firemen, Security Guards, Mining, TV Personalities, Actors, Musicians, Artists
Medical

- Proper completion of the application is important to protect the applicant and the advisor
- Medical Information Bureau (MIB)
- Co-morbidity
- Policy issued:
  - As applied – Normal Delivery

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<thead>
<tr>
<th>Substandard</th>
<th>Change in Elimination Period</th>
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<tbody>
<tr>
<td>Extra Premium</td>
<td>Change in Benefit Period</td>
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<tr>
<td>Complete Exclusion</td>
<td>Reduced amount of Indemnity</td>
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<td>Aggregate Exclusion</td>
<td>Removal of Optional Benefits</td>
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<td>Qualified Condition Exclusion</td>
<td>Any Combination of the above</td>
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<tr>
<td>Limited Period Exclusion</td>
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The Ditch of Disability

“I’ve fallen down and I can’t get up!”
Next Week

• Intermediate – Session #2, June 18th @ 2pm CENTRAL
  – “Placing Business”
    • Ratings, Waivers and Exclusions
    • Handling Objections
  – Business Products
    • Business Overhead Expense
    • Disability Buy/Sell
    • Key Person

• Homework for today’s discussion – Submit an application to a carrier or be able to describe your experience with the process.

• Give me a call to strategize and/or assist
  800-880-0080 x6185 or khoffman@nfp.com