Crump®

Disability

How a Minimum Contingency DI Plan Can Save a Sale

Income protection is important, but disability insurance (DI) is not a one-size-fits-all product. DI quotes and contracts should be based on a client's personal needs and take into consideration a client's age, occupation, and income. While many clients acknowledge the importance of their income, they don't always recognize the importance of insuring that income or the value for the cost. A minimum contingency DI plan might be the custom-fit product that motivates a client to select DI. Here are some tips to help bolster the sales approach:

1 Points to consider

Most advisors want to see a maximum benefit with the majority of riders. This might be the optimum plan to have in place; however, the client may not purchase it due to the premium. Here are a few points to consider; then see the Minimum Contingency DI Plan section for additional information:

- **90-Day elimination period.** On a DI contract, this means the first benefit check is paid on day 120.
- **Maximum income protection.** This type of coverage is conceptually ideal; however, some coverage is far superior to no coverage.
- **Preconceived notion.** "It won't happen to me" is something that many clients might say to rebut the need for DI, so back up the sale with data.

2 Minimum contingency DI plan

A minimum contingency plan may be a great opportunity if the client is not taking plan designs offered through other carriers. There are different ways to structure a plan if the client is hesitant about purchasing DI. Stressing the importance of having at least a minimum contingency plan in place may help the client get some active coverage, such as:

- **30-Day elimination period.** Some carriers offer a cost-effective, 30-day elimination period where a first-benefit check is paid on day 60 instead of day 120.
- **Mortgage, utilities, groceries (MUG).** MUG coverage is an alternative to maximum DI coverage and insures a solid foundation for basic needs. Covering at least the necessary expenses offers the client relief during a disability claim versus not having any coverage or only group coverage benefits.
- **Two- or five-year benefit period.** A benefit period covers the average length of a DI claim with most carriers, and shorter benefit periods are less expensive than the to age 65 or longer benefit periods.
- **Return of premium rider.*** Options with this rider can show the client how he or she can receive some, if not all, of the premiums back (less any claims) so the investment does not feel "wasted" should the client not need the benefits prior to age 65. This helps to overcome the objection, "if I don't use it, then I lose it."

To learn more, contact the Crump Disability Solution Center at 800.582.7785, option 2 or disupportcenter@crump.com.

*Policy riders are available at an additional cost and may not be available for all products. Terms and conditions apply.