

Sales Presentation Script

Use their names throughout the conversation. Ask for some water because it helps build a connection. These numbers are hypothetical.

Connie & John, when most agents come into your home they have one set of numbers in mind. If your needs fit what they have, then great, if not, they try to squeeze you into what they put together. We approach things differently because if John doesn't come because of a car wreck or a heart attack, neither does his paycheck. If the survivor can't make the payments, we have a problem. So, let me ask you a couple questions: Are you originally from around here? Where did you grow up? How about John? What is the probability that you will remain in this home a little while, a long while, or do you just plan on staying here? And how much do you guys know about this type of insurance? Ok, you are going to receive 20 to 30 things in the mail from different companies trying to sell you mortgage protection. Some of those plans don't pay if you die of a heart attack or cancer, so I'll take a couple of minutes and show you what's coming and then show you what I've put together and explain why, and then you can decide which way to go.

When you took the mortgage out for \$246,000 if they had asked, "Do you want mortgage protection?" and if you had said yes, the first month you would have had \$246,000 of coverage. But every month you make a mortgage payment, your mortgage goes down but so does the amount of your insurance. At the end of the mortgage, you may only owe \$2,000 and if someone dies, the mortgage would be paid off. But what if someone dies and leaves the other with medical bills OR ancillary debt that could choke a horse? It doesn't matter, the bank gets the \$2,000. About 15 years ago Money Magazine wrote scathing articles about what a rip off this was. Now, they went way overboard on the accusations but they were selling magazines. But the gist of the complaint was the insurance companies were charging the same premium for \$2,000 as they used to charge for the full \$246,000. I don't like that either, but that's not why I don't like it. The reason I don't like this is that anytime you alter your mortgage, move or refinance, you lose your coverage. Let's say you want to add on to the home or repave the driveway and you can afford it, no big deal. But six months before that one of you had a mild stroke (so mild that they can't even tell!) so you refinance to pay for the upgrades which alters the mortgage and you lose the coverage and can't get it back. Based on what you've told me about yourselves, you can do better than Option 1.

Your 2nd option is A-R-T. Now, as a consumer you are expected to know what A-R-T is and nobody does. This is Annual Renewable Term. It works opposite of the first one. It doesn't matter what you owe on the mortgage, if someone dies, you get the \$246,000. But the premium is based on your age each year, so as you get older, the premium goes up. We definitely don't recommend this one!

The third option you'll receive is Accidental Death Coverage. It's inexpensive and if you die in a car wreck the survivor gets the \$246,000 but on this one if you are in a car wreck and go into a coma and develop, let's say pneumonia in six weeks, THEY WON'T PAY because pneumonia is a natural cause of death. We don't recommend this one because you have to die within 31 days.

Now we don't recommend any of these but you'll get 15-18 variations of these and that's why there's a big difference in cost.

Now, this is what I put together for you. Whatever we start off with payment wise, that's the payment — its guaranteed not to change. The policy face amount we start with remains the same — guaranteed not to change.

Up here at the end of 30 years there is no policy left, THEY CUT YOU OFF! We aren't going to do that. In 30 years our company will call you and say, Connie "Do you want to continue this coverage?" Well, in 30 years you won't remember what we talked about today! You'll answer with, "How much is it?" It's a \$1000 a month. "Lord have mercy, don't need it, don't want it, can't afford it, forget it, it's over." Well, everyone is happy: you're happy you didn't die and we're happy we didn't write a check. BUT what if two months before the end of the policy someone gets cancer and has six months to live? NOW \$1000 a month on a credit card for a couple months sounds like a bargain to collect the \$246,000, right? Yeah!

Waiver of Premium- only use this when you're offering waiver of premium.

If you become disabled (and if you can flip burgers you're not disabled) but if you do become disabled, you need to make the payments for six months and at the end of the six months, we make the payments till the end of the 30 years, and when the cost goes up, if you are still disabled, we will make the payment all the way till your 95th birthday. *

The difference with ours is we don't care if you do extend it and we don't mind if you don't. So, in summary, if you move or refinance the policy goes with you. You can extend the benefits if in your best interest, not ours. The payment is guaranteed never to change. The policy face amount is guaranteed never to change, and we do not send the check to the lender, it's sent to your survivor!

And that reminds me, do you have a will?

Do you have any questions? Now at this time most people will say, "Dick, this looks like regular life insurance." Let's pretend you called your agent, State Farm, Prudential, Allstate - *it doesn't matter which company* - and said "George, I've got this guy coming over for mortgage protection insurance, can you give me a quote for regular life insurance? This is the world George works in. [Draw out the Simplified Issues 4 tables diagram.]

Let's pretend with the amount of coverage you want you will be at a standard risk and the cost will be \$100/month. After they stick you with a needle, they come back and say "Oh, you are so healthy, we can get this for you for \$80/month." That's what they call preferred. But let's say after the blood work a person's liver enzymes are elevated or a person is 25-30 lbs. overweight. They say we'll let you have the insurance but at Table B. Nobody knows what table B means. It means they are going to charge you an extra 50%, so now instead of \$100 it is going to be \$150. Type 2 diabetes with all carriers is table C, or \$175/month, table D is \$200/month. These tables go all the way out to \$400/month and past \$400/month is a decline. That's the world George works in. The blood work determines the price, not George. *We work in that world too.* But after you do blood work, if they find something, it's broadcast to EVERY life insurance company in the nation. But because you have this mortgage & sent this letter back, the company said, "From preferred all the way out to table D, let's let them have the coverage at \$120 **and they don't even have to do an exam.**" [You are drawing an oval around the correct numbers as you have practiced the diagram]

That might not be a big deal to you, but over the last few years, we have had five men who the day they bought the mortgage protection had cancer & did not know it. Two of them have died and because the company was taking all the risk, their mortgage was paid.

Now, there are three ways to get mortgage protection. You can do the full amount of the mortgage, a portion of the mortgage, or critical period. The full mortgage would be the \$246,000. Many people can do that. Others say, you know if something happened and we had \$150K in coverage, my wife could pay down the mortgage low enough to cover the payments. Now some of my older clients, their health may not qualify them to get full coverage. We see many seniors who owe \$50k on their home that's worth \$200K home. If they die, the bank doesn't want the \$50K next month, all they want is next month's payment. But let's say no one in the family is in position to make that payment or two, that \$200K house has to be sold FAST and we've seen \$200,000 homes with a \$50K mortgage sell for \$90,000 just because the family can't make the payments. Many times, parents will say, "My kids can make those payments, they are doing really well." But parents never die at the right time and six months before mom & dad die, John Jr. has a heart attack and now can't even afford to pay his OWN mortgage, let alone mom & dad's. We give the family enough money to make a year or two of house payments to have time to get a fair price out of the house & not give all the equity to a *complete stranger*.

Any questions so far?

Ok, let me show you what I've worked up for you.

I did \$246,000 which is the full amount of the mortgage. I worked it up for 15, 20 and 30 years and I did it for a reason. You see John, in your situation, from age 40 to 60, 15 to 20 years from now, (pointing to examples) there isn't much difference in the premium as the company isn't too worried about a death claim before the age of 60. But from 20 to 30 years from now, age 60 to 70, they start to get worried and that is where the company feels it's taking the biggest risk, so the premiums are slightly higher for the 30-year term. So, yours are \$__15yr __ __20__, and __30__.

If the client smokes

Any chance you may quit smoking in the near future? The only reason I ask Mary is that if you quit in the next year, not the next three years like with most policies, I have companies that will give you the preferred non-smoker's rate, and as you can see, it would cut your premium almost in half! So yours would be \$____,____, and _____(15,20,30 year.)

I also did \$150,000 for you. My thought process was this: If John doesn't come home because of a car wreck or heart attack, neither does his paycheck. "Mary, if I bring you a check for \$150,000 I didn't pay off the mortgage, but are you going to be mad at me?" Probably not. This allows a family to stay in the house either by lowering the mortgage or by allowing them to make payments for a long time.

John, on this plan your payments would be \$____, _____, or _____ and Connie, yours would be \$____, _____ and _____.

Return of Premium

Do not introduce critical period at this time. Often, you will NEVER need it for the particular client.

Then, I did something special for the two of you. John, if you could raise your monthly payment from \$____ to _____ and if you pass away for anything other than suicide, we would send you a check for the \$246,000. But, at the end of the 30 years, if you were kind enough not to die on us, you would get a full refund of all premiums paid. At the end of 30 years you would get a check for \$_____. We are going to refund 100% of the premiums paid and you just got a zero-cost mortgage protection plan. Connie, yours would go from \$_____ to _____ and at the end of 30 years your check would be for \$_____. If we do the \$150,000, John yours would be \$_____ with \$_____ back and Connie yours would be \$_____ with \$_____ back to you.

If you were to consider something at this point, should we concentrate on keeping cost as low as possible? Should we do one of you? Both of you? Should we do money back? What do you feel would be best for you and your family at this time?

Say this slowly and smoothly



This is the most critical part. This is when every prospect says they have to think about it. The secret is to never let them say it. Interrupt them before they say it. Stop them mid-sentence and move to the next part.

Let me explain to you what happens next. Once you have made a decision on which way you want to go, we take an application and a void check. Once you sign the application and give me the check, it takes 3-5 business days to issue the policy. After the policy is issued, it takes 3 weeks to get me the policy in the mail. During that time, if something happens, they continue underwriting as if you were still living. If they come back and say yep, we would have covered that person, someone is getting a check. We actually had that happen. One of our managers in Virginia wrote up a young lady at 7:30pm and at 9:38pm she was killed in a car accident. Her son graduated college on a policy she bought two hours and eight minutes before she died. All these plans are all set up the same way to do that for you and your family.

Emotional Story
Joyce Story

While you guys are talking about this, do you mind if I use the restroom?

Start talking as soon as you get back to the table.

I meant to tell you one more thing. All of these plans are set up with a Safety Net built in and here's what I mean by that. Let's roll the hands of time ahead three or four years. You wake up with excruciating pain, emergency room visit, it's not good news, you have twelve months to live. You can't work, there's no income and no one will give you a loan. How do you make the mortgage payment? Who's going to pay the light bill? How will you buy groceries?

The reason I bring this up is that the day your policy is issued, they put \$100,000 (1/2 of policy amount) into an account with your name on it and if what we just described happens, you can draw as much of that from the account to pay the mortgage, buy groceries and pay the light bill. **

Becky Story

We had a young couple who had a \$500,000 mortgage and bought the insurance and then got to thinking, "Hey, we are twenty-nine years old and run marathons. Why do we even need this insurance?" They talked to a neighbor who was a financial planner and he said, "Oh my gosh, you guys are twenty-nine and run marathons and don't have children. Why do you even need this insurance? Let's take that money and put it in a retirement plan." The husband said, "You know, we aren't good savers, but we do pay our bills, so I think we'll keep it." Two and a half years later, Becky wakes up excruciating pain, emergency room visit, cancer, eleven months to live and her only hope was an experimental drug. Her HMO didn't cover experimental drugs. At that point, her husband reminded her of the safety net in their mortgage protection coverage. Becky had already thought of that and said, "We've only paid twenty-nine payments of \$86.34 — they aren't going to give us \$250,000." She went to bed depressed. Her husband called the agent and explained. The agent said "We had this happen to another couple and I don't want this to go on any longer. Get Becky out of bed and meet me at the doctor's office in two hours." Within a few days, they had the check for \$250,000. Becky used the money for the experimental drugs and today she is alive and well and has three kids. So, all of these plans I put together for you have the same safety net.

Move to the rates, circle the ones they choose, and start writing the application.

*Notice we explained waiver of premium without ever actually calling it that? We sell benefits without using insurance vocabulary nobody understands.

**The safety net is an alternative word we use to describe the benefits of the Accelerated Death Benefit Rider. We've exchanged insurance vocabulary nobody understands and use words like safety net to sell these benefits.