

Life Insurance: A Different Type of Selling

By



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The great success story in bank insurance sales so far is annuities. Financial institutions sell nearly one-fifth of total individual annuity volume, an impressive accomplishment the industry will likely soon surpass.

Many factors account for this success: similarities between fixed annuities and certificates of deposit; the consequent ease in training insurance-licensed bank employees about annuity product features; consumer needs for savings products with tax advantages, capital accumulation, safety, guarantees; and training and sales assistance from wholesalers and third-party marketers.

But banks have a long way to go in selling noncredit-related life insurance products. Mortality products are more complex; the needs that engender their use are more complicated, and the knowledge and skills required to fit them to clients' circumstances are more demanding than those needed to complete the typical annuity sale. In short, selling life insurance in a bank environment is decidedly different from selling annuities.

Gathering Data from Prospects

I started in the insurance business with a financial services firm that owned one of the country's largest insurance

companies and family of mutual funds. This firm left no stone unturned when training its sales force to sell its products. It drilled recruits in product features and benefits. It trained them in interview skills, teaching them how to uncover needs, determine financial goals, examine contradictions, and handle sales objections, procrastination, and buyer remorse. Agents learned to examine verbal and nonverbal communication, establish pro-

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fessional credibility, and build each prospect's confidence in their recommendations.

Central to the process of selling was an agent's ability to obtain from prospects complete data on income, expenses, and assets and liabilities. Without this data, no agent can advise prospects on what insurance products will meet their needs and enable them to achieve their goals. Teaching a recruit how to get this information was important. It was also important that a recruit learn when to stop the sales process.

My field trainer was resolute when a prospect would not share the financial information necessary to properly analyze his or her financial circumstances. He would re-explain why the information was needed and how it would be kept confidential. Then he would ask for it again. If the prospect refused, the field trainer would close his briefcase, express his regrets that he could not help the prospect, and leave. The sales process had ended.

My field trainer understood that without a complete data survey and honest evaluation of goals and priorities, he could not give a prospect a realistic capital needs analysis and useful insurance proposal.

This approach is essential to properly sell life insurance. An agent must have excellent communication skills and require the necessary financial information from his or her client. The agent also must have the courage not to waste time with an uncooperative prospective client. While the process demands respect for prospects, it also requires that agents believe in the life insurance business and practice skills learned through training and experience.

A bank that wants to successfully market life insurance products must recognize that its agents need to be life in-

insurance professionals. They alone have the knowledge, training, and single-minded dedication necessary to fit the right products (not just any products) to bank customers' complex personal and business financial problems. This approach not only sells life insurance, it also sells the bank as a trusted source of financial service.

Prescription for Success

Selling life insurance in brokerage houses is instructive in this regard. The brokerage house experience also demonstrates that product management plays an instrumental role in marketing life insurance products.

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Twelve years ago, I braved the frontier as the first national director of insurance sales for a major securities brokerage house. The firm owned a life insurance company, which was poised to make history by unveiling the first universal life product. My greatest challenge was to introduce life insurance to securities brokers, who knew nothing of its benefits to their clients, the wirehouse, or their book.

The contrast between the life insurance and securities cultures could not have been greater. Insurance lingo had to be translated into broker dialect, and a system of product management had to be erected to fit this massive, diversified retail shop.

Product management at the regional and branch levels brought focus to the life insurance program. At each level, an account executive was recruited and

professionally trained to sell and help others sell life insurance products. These account executives earned overrides on all business produced within their territories.

Regional insurance directors oversaw life insurance sales and training in their multistate regions. At the branch level, insurance product coordinators sold products, generated interest in insurance, highlighted the big tickets, trained other account executives, and conducted client seminars.

The firm's first video-assisted training program helped improve insurance selling opportunities, increasing in six months account executive participation in life insurance to include half the firm's brokers. But the key to the program remained the strong system of product management.

The demand for personal life insurance planning, estate planning, buy-sell agreements, and other sophisticated financial planning techniques outstripped the capacity of the national staff's advanced underwriting and sales support team. Our strategy for training securities brokers was so successful we could barely process the business.

Since we could not keep up with broker demands for expert help, we hired what I named "life insurance specialists" (a phrase now sometimes contracted to "life specialist" or "insurance specialist") for each branch to find and close their own or broker-referred cases. This talent, combined with regional product management systems, sustained momentum, producing benefits for clients and

profits for the firm. By the second year of the life specialist program, life insurance volume reach \$1.9 billion, and the firm's agency became the largest general agency in the country.

Banks should examine this prescription for success. A system of product management can strengthen employee focus on life insurance products, especially in a branch banking system where product proliferation is overwhelming, and bolster management responsibility and accountability for life-sales' results. But the product management system, the bank's life insurance sales force, and its sales results will be most successful when they are entrusted to experienced life insurance professionals.

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