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INSURANCE MARKETING

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## Seize the Day

The boomers are getting older, the elderly are living longer and Canada's health-care system is stretched to its limit. As **Mark Halpern** writes, there has never been a more opportune time to discuss living benefits with your clients

Some of you in the Toronto area may know me as the guy who sells critical illness insurance (CI) on the radio. Others perhaps from hearing me speak at the Top of the Table, the Conference for Advanced Life Underwriting (CALU), the World Critical Illness Conference and other industry events.

Through the persistent marketing and promotion of the value of living benefits, I've tried to raise awareness about why living benefits are an essential component of financial planning. I always joke that I've probably sold more CI policies for other advisors than anyone else in Canada. For me, however, the best accolade comes from a satisfied client with whom I've earned the right to be called a trusted advisor.

Right now is the very best time to be selling living benefits and doing so will help you build even more trusting relationships with your clients. Being a successful advisor is about more than the bottom line; it's knowing that we have truly done the best we can to prepare and equip our clients for life's twists and turns and knowing that they are financially protected from misfortune.

### Why now?

In Canada, there has never been a more opportune time to discuss living benefits with our clients. There are three main reasons why the time is now to discuss both critical illness and long-term care insurance (LTC) with clients.

#### 1. An aging population

The baby boomers are heading into retirement and they will put a significant strain on health-care services and infrastructure. The elderly are living longer due to healthier lifestyles, better treatment options and improved medications for chronic care. Statistics Canada projects that by 2021, there will be almost seven million seniors, representing 19 per cent of the total population, and by 2041, more than nine million seniors will comprise an estimated 25 per cent of the population.

#### 2. A sagging infrastructure

Over the next decade, improved longevity will push the health-care system to its limits. Our governments, already struggling with health care, simply cannot maintain expanded levels of support. The following is an excerpt from The Canadian Council on Learning's report, "Patient Self-Management: Health Literacy Skills Required" (June 19, 2007):

"Increasingly in Canada, health care is provided to people with chronic conditions such as diabetes, asthma, congestive heart failure, renal failure and chronic obstructive pulmonary disease. A large proportion of the available health-care resources is devoted to treating chronic conditions and, in Canada, 67 per cent of all health-care costs are incurred as a result of caring for those with chronic conditions. More than half of Canadians aged 12 or older report at least one chronic condition<sup>1</sup> and, at age 65, 77 per cent of men and 85 per cent of women have at least one chronic condition<sup>2</sup>... There is mounting concern that health-care providers will not be able to deal with increasing chronic illness with existing resources and decreasing numbers of people entering the health-care professions."

#### 3. Inadequate preparation

Most of our clients have done a great job considering life insurance as a post-death benefit for their families, but how many have fully thought out the financial implications of getting sick or the potential necessity of long-term care? In this era of misinformation, our clients often fail to consider the implications of living longer — on themselves, their spouses and their families. Unfortunately, there are going to be a lot of people long on life and short on money.

These three critical factors reinforce the vital role we play as advisors: to ensure that our clients are well prepared to meet their living needs in the years ahead. As their trusted advisor, our clients look to us for our expertise in helping them plan and prepare for their future. We owe it to them to discuss living benefits now, before it's too late.

### Earning the role of trusted advisor

We must ask the tough questions with our clients right now. What if they develop cancer, what if they develop Alzheimer's, how would a major illness affect their finances, their spouse and their family? What kind of care would they want for themselves and who would provide that care if they don't have adequate financial resources?

I do a "crash test" with my clients. Discussing CI and LTC insurance is just a small part of the emotional sales process. The crash test approach requires an advisor to raise awareness about the outcomes of aging and the implications that most people are reluctant to come to terms with. The good news is that we can offer solutions and provide comfort and confidence to our clients heading into retirement. Peace of mind is priceless and we can help them find that.

An important part of being a trusted advisor is identifying the concerns and issues that our clients are going to face as they grow older. As the population ages and lives longer, a much greater proportion will require long-term care or critical illness protection. These are living issues and need to be addressed head on. I hear these same concerns from busy professionals and self-employed people who are too busy to give their financial plans a thorough "crash test" if something bad were to happen.

A frank discussion now about living benefits also provides peace of mind for your clients' families. In an emotionally charged time, shouldering an unexpected financial burden and a possible caregiving role will add significantly more stress. In some cases, my client's children are paying the living benefits premiums for their parents — preparing now for the possibility of illness or long-term care needs. I recently purchased an LTC policy for my 62-year-old mother-in-law and am enjoying the peace of mind that it brings. My wife is especially appreciative as she is the only sibling living near her mother.

As business people, we can provide our clients true value with living benefits insurance. The greater goal, however, is to earn the trust of our clients by demonstrating that we are taking their future living needs seriously.

In my business, [illnessPROTECTION.com](http://illnessPROTECTION.com), we lead with the need for living benefits. But that's just one piece of a comprehensive plan. Because the need for living benefits is so apparent, it's the catalyst for an earnest dialogue with clients about how to best prepare for all contingencies.

### Three steps to success

To be successful, every advisor should commit to three important steps:

#### 1. Become an expert

Specialize in something and do it very well. For other areas of expertise, develop relationships with appropriate insurance or investment experts and refer your clients to them for the needs that you can't meet. Fifty per cent of something is better than 100 per cent of nothing.

Invest in developing your expertise. Anyone with an interest in selling living benefits should attend the World Critical Illness Conference. I attended the event for my first time in 2004 and it changed my life. This conference offers a wealth of ideas to add to your business strategies and will result in new clients and new sales.

Get designated. It's tangible, external validation of your expertise and demonstrates your commitment to developing your expertise. When you're designated, you can't help but feel confident when meeting prospects and clients.

Become a member of Advocis and the Million Dollar Round Table (MDRT). We have the world's greatest industry — people actually share their ideas for success. Take advantage of it.

#### 2. Find a mentor

You may need to go beyond your network to learn about successful personal and business growth strategies. A mentor provides insight and perspective. I have worked with some wonderful mentors inside and outside of the insurance business. Be prepared to work very hard to form a relationship with them. It's worth the effort. Throughout your professional career, you will develop and nurture connections that will build your success.

#### 3. Promote yourself

Through networking, a newsletter, a website or advertising — get the word out about your particular expertise. While advertising may not be affordable for every advisor, there are other effective and less-expensive ways to market yourself. Electronic newsletter services, for example, cost as low as \$1,000 to \$1,500 a year and are a great way to get your name out and keep in touch with clients on a monthly, quarterly or annual basis.

Seminars are another affordable option. Offer to speak to a select group of clients on a particular topic or what's going on in your area of specialty. If you're conducting a seminar on critical illness insurance, for example, make it real by bringing in a client who's willing to share their critical illness experience with the audience.

No matter how you decide to promote your expertise, your clients are your best possible marketers. When you have really become their trusted advisor, they will be your best source of referrals. When you form alliances with other professionals to whom you refer business, they will also help you build your business based on your expertise and integrity.

I've been promoting living benefits in a significant way since March 2005 when my oldest brother Phil and I formed [illnessPROTECTION.com](http://illnessPROTECTION.com). We created a consumer-friendly brand and use living benefits to begin conversations about preparing for the twists and turns in the road ahead. Once in front of potential clients, the conversation generally leads to multiple sales and trusted relationships for life.

Living benefits is a topic that your clients want to talk with you about. People in every province and other countries have responded to our message online and offline. This is, without a doubt, the best time to be in our business. Become a trusted advisor yourself. Don't waste a minute — our clients are counting on us.

#### True story

A 45-year-old woman came to see me recently having heard our radio ads many times. Her husband suffered a massive stroke two months ago at the age of 58. He was never sick a day in his life and had no prior family history. She was distraught as she must now care for a sick husband and her 80-year-old mother.

Critical illness insurance would have relieved this woman of the concerns for treatment costs, potential long-term care and even possible renovation costs to accommodate their home to meet her husband's special needs.

The client, himself a physician, now recommends to all of his colleagues that they invest in a CI policy. He advocates that putting all of your savings into a life insurance policy will help you one bit if you get sick. Now his wife is buying it to protect herself as the primary caregiver.

Scenarios like these are only going to become more common. As our clients' trusted advisors, it's up to us to work with them to ensure that they have adequate insurance coverage while they are living so they don't have to feel as this woman does. Her husband's advisor never told them about CI.

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<sup>1</sup> Schultz, S. & Kopeck, J. (2003). Impact of Chronic Conditions. Health Reports. 14(4). 41-56. Statistics Canada catalogue no. 82-003-XIE.

<sup>2</sup> Gilmour, H. & Park, J. (2006). Dependency, chronic conditions and pain in seniors. Health 82-003-SIE.