



Critical Illness: 3 Producers, 1 Product [\(click to go to original article\)](#)

CI offers a logical benefit with a low price tag — so why aren't you selling it?

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When it comes to selling critical illness insurance, you'd think it'd be a no-brainer: It pays for heart attacks, strokes, cancer, other critical illnesses, and often pays more than once in different situations. It can be relatively inexpensive, and underwriting is a breeze compared with major medical and other comparable products. It can be built on a health chassis, which pays out to survivors, or a life chassis, which pays health benefits in addition to offering a death benefit in the event that the policyholder doesn't survive.

Yet this product has been terribly slow to catch on, with few producers offering it and few consumers asking about it.

Here, three agents talk about their fights to spice up this stagnant market and take it from dark horse to front runner. If you're looking for the right product to add to your market mix, CI just may be the one.

CI for every man, woman, and child

J.R. Jordan became involved in the critical illness marketplace when he was just 17 years old, following in the footsteps of his father and brother. At the time, James Jordan Sr. and Jim Jordan Jr. were developing a product called Lifestyle Protection CI, which was taken on by Colorado Bankers Life Insurance. Since then, Jordan has been a champion of CI, talking it up to any client who could benefit from added protection for a variety of conditions.

Q: What common objections do you hear from clients when you present them with CI?

JJ: It's the Superman complex: There's no way I'm going to have any of these [illnesses]. Immediately, you just start breaking out the stats to them about critical illness, and it changes their mind pretty quickly. Or, you start asking them if they know anybody who has suffered a critical illness and what happened to their quality of life after they suffered that critical illness, especially in today's economic environment.

Any time there's a price objection, when somebody tells me they can't afford \$20, \$30, \$40 a month, I always ask them, 'Is that after you have the heart attack, or before you have the heart attack? Is it after you have the critical illness, or before you have the critical illness?' Everybody out there can afford \$20, \$30, \$40 per month for critical illness insurance. If it means not eating out once a month, not going bowling, not having a babysitter, that's definitely worth it considering all of the statistics that show how just about each and every one of us is going to be affected in some way by a critical illness.

Q: Why hasn't this coverage caught on as quickly in the United States as it has in other countries?

JJ: There are three reasons I've determined: No. 1, the agent is happy with what they're doing. They're doing a great job in life insurance; they'll just continue doing that. They're doing a great job in health insurance; they'll just keep doing health. It seems agents are either afraid of it or are already

successful in their current industry, so they don't do it.

The second reason is there's not enough knowledge in the marketplace. The National Association of Critical Illness does a great job promoting critical illness, but we need more and more associations and groups to start promoting critical illness. We need to start seeing TV commercials by insurance companies for CI.

The last reason is that clients aren't asking for it, and they aren't asking for it because they don't know about it. And that goes back to insurance professionals not telling their clients and insurance companies not advertising to consumers. There are clients out there asking for health insurance, asking for disability insurance, asking for car insurance, asking for all these things because they've been told time and time again, commercial after commercial, that they need to have it. No company is out there telling clients how important it is to have critical illness. It's true living insurance. Life insurance as the client knows it is death insurance — they'll never see that money. But critical illness is true living insurance, money when they need it the most. Money is not going to buy them happiness, but it's going to buy them peace of mind if they suffer a critical illness.

Q: Do you think that health care reform will affect the CI market as time goes on?

JJ: It already has: Critical illness sales have increased dramatically with the passing of the health care reform act, and it is my belief that if the health care reform act continues on the path it's on and actually becomes law as it's stated now, critical illness sales will be through the roof. Look at any country with national health care or health care reform. Their critical illness sales are staggering. In my opinion, in the United States, we're at the tip of the iceberg when it comes to critical illness sales.

Q: What advice do you have for other agents looking to become involved in the CI market?

JJ: In the annuity market, this is a great way for them to protect their clients' investments, their annuities — the No. 1 reason [clients] tap into that annuity is because of a critical illness.

Wealth accumulation sales, same thing — they tap into it because of critical illness needs. Life insurance agents who sell high-premium permanent life insurance should sell critical illness, so that if their client has any of the critical illnesses, not only will they receive a lump sum of money to help them, but it also helps pay the premium on that high universal life or whole life plan.

Anyone who is in mortgage sales that also has a life and health license should be selling critical illness to their clients because medical issues are the No. 1 reason for foreclosure, according to Harvard University.

And last but not least, health insurance sales: The commissions are dwindling more and more every single day, and a great way to not only increase their income but give clients more protection than they've ever had is to offer critical illness coverage.

Offering the right fit at the right time

Fourteen years ago, Jack Kimmel saw critical illness come through the door of Pierce Group Benefits, where he works today as an enrollment consultant. Today, he spends his time working with employees whose employers offer CI as a voluntary benefit, helping them understand when this coverage may be the right choice for them, and how to apply it to their current situations.

Q: What types of things do you see on the employee end when you work with them to enroll in these policies?

JK: Just the general feeling that major medical isn't all that it once was. I think that 14, 15 years ago there was a general feeling that if something catastrophic happened, if you had a heart attack, major medical would take care of everything, and that viewpoint has drastically changed in my opinion.

Supplemental benefits policies like CI have been able to fill that gap in the employee's mind that, 'Hey, I have a low-cost option to help make sure that if I have a heart attack or stroke or cancer happen in my family, I'm going to have the resources to meet that issue head on.'

Q: When you first approach somebody about CI, how do you discuss its benefits?

JK: I work almost exclusively in the educational marketplace with state employees. Because major medical and deductibles have risen significantly in the last four to five years, CI is a product for us that you can purchase up to \$50,000 in increments of \$10,000. If you have a heart attack or a stroke or an organ transplant or kidney failure or any critical illness, you'll be out of work and will have a copayment and out of pocket expenses with a major medical plan. You want all those things taken care of and you want to make sure your lifestyle and family don't suffer while you're getting over it. CI offers all those things, and it's recurrent — you can collect more than once under CI.

Q: What types of challenges do you encounter in this market?

JK: I think there might be a perception for some people of how it addresses their concerns. It goes back to an individual sale: Everybody knows someone who's had a coronary event, and everybody has seen the difference that makes in somebody's lifestyle and their family's choices. The fact that people haven't added this in the past is because the product has not been so well known, but the point of my job is to educate employees and employers about this benefit and how it can help fulfill their needs with regards to that.

I think it's all about your personal history. It hits home for me: My father's third heart attack killed him at 52. My grandfather's second heart attack killed him at 56. I try to take care of myself as well as I can, but it's something that I've seen with my grandfather and my father's heart attacks, and the problems that they posted for us. CI, for me, has eliminated the financial side of that. I can explain that to anybody who has two employees because one of them has had a family history like mine. Heart attacks and strokes are among the leading causes of death in the United States. That is too big of an even. We're not talking about lightning strikes or something that's rare, and employers can appreciate that concern for their employees and for their bottom line.

Benefits at a time when they are needed most

Max McCullen first heard of CI in 1999 when he overheard somebody talking about it in a restaurant in Brandon, FL.

"I think everybody in the restaurant heard me say, 'Oh, no way — you can't do that for that kind of premium. It's way too much coverage for \$21 a month.' It's amazing what that product can do. If you're selling cancer insurance, then you're already using the same statistics that can be used to sell CI — we're just expanding upon them."

But McCullen soon learned that CI is, indeed, a powerful product wrapped in a relatively small price tag, and began selling it in 2000. For him, it's about using the same statistics he already uses to sell other products, and being candid about the story of critical illness.

Q: There are two types of CI: One on a life chassis, which pays either a death or a survivor benefit, and one on a health chassis, which doesn't pay a death benefit. How do you determine which one is the right one to sell?

MM: That's personal preference. We had a guy come in at 22 to buy CI — one of our most famous cases — and walked out saying, 'My mom told me to buy a cancer plan because cancer runs in the family.' A lady chased him out and showed him a list of all the things it would cover. She tore it up, and cancer was first on the list, and showed that piece to him and said, 'See? It only covers cancer.' He got the point, and he signed up for the \$7 plan. One week later, he was driving home from a football game — he was a high school coach — and got in a car accident and died. We wrote a check to his wife for \$80,000.

In another case, there was a correctional officer at Tutwiler Prison for Women who signed up and got a CI policy because heart attacks and cancer ran in the family. Maybe about a year later, she's climbing up the stairs into the watchtower, and she slips and falls, breaks her neck, and passes away instantly. If she had bought a cancer plan or a heart attack and stroke policy, or one of those health chassis CI policies, I wouldn't have taken a check for \$38,000 to her niece.

There are many cases where [the policyholder] didn't even think that would happen. You're probably not going to die from your heart attack. You're probably not going to die from your stroke. Maybe 50 years ago you would have, but not now. Look at what happened over the last 25 years — cancer survival was up, 25 percent of stroke victims survived, we got 911, you get in a car accident and they pull you out with the jaws of life and take you away in a helicopter. Life insurance does a really great job if you die, but you probably won't.

Q: What is your strategy for success in the CI market?

MM: Focus in on one product. You find the need, and then you amplify that need by using third-party materials, and there are plenty of stats out there to find. You identify that need, you amplify that need, and then you fill it.

There's so many different avenues that CI can fill. I heard a guy down in Fort Lauderdale using it as mortgage protection insurance, especially the life chassis one. You find that need, you amplify it with third-party references, you make that sale, and you move on to the next. If you stay focused, [you can] build a relationship with the idea that, "I'm not here to hurt you; I'm here to help you," because at one time in your life, one of these things will happen to you. «

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