

Financial Advisor Series

ESSENTIALS OF MULTILINE INSURANCE
PRODUCTS

Kirk S. Okumura



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Sales Skills Techniques

Techniques for Exploring Personal Markets
Techniques for Meeting Client Needs
Techniques for Prospecting: Prospect or Perish
Women and Money—Matters of Trust

Product Essentials

Essentials of Annuities
Essentials of Business Insurance
Essentials of Disability Income Insurance
Essentials of Life Insurance Products
Essentials of Long-Term Care Insurance
Essentials of Multiline Insurance Products

Planning Foundations

Foundations of Estate Planning
Foundations of Retirement Planning
Foundations of Financial Planning: An Overview
Foundations of Financial Planning: The Process
Foundations of Investment Planning

DEDICATION

To my loving wife, Jennifer, for her abiding love and friendship. To my children Jarrell, Joshua, Rebekah, Gabrielle, and Elijah, may you always follow the Way, the Truth and the Life.

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ABOUT THE AUTHOR



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There are millions of middle-class wage earners in America who are largely ignored by the financial planning community. While there are some hourly fee-only planners targeting this market, their numbers are such that the vast majority of middle-class wage earners have no access to the help they need understanding and procuring the applicable insurance and other financial products at the appropriate levels. Who will help them?

If you believe that selling insurance and other financial products is a relationship business, then the multiline agent sits in an enviable position. This is the premise of this book, *Essentials of Multiline Insurance Products*. Its purpose is to provide the multiline agent the requisite basic skills and knowledge to conduct a financial review, using it as the basis for identifying and meeting a client's other insurance and financial needs.

The text follows the paradigm of a revised version of the financial planning pyramid, a paradigm multiline agents can use with their clients to help them build a financial plan piece by piece in a manageable and simple fashion.

Chapter 1 of this text opens with a discussion of the value of multilining. It then proceeds to give an overview of the 8-step selling/planning process promulgated by all of the courses in The College's Financial Advisor Series. The multilining process picks up after the initial sale of (presumably) auto and/or homeowners insurance. Thus, the first discussion is customer service, which lays the foundation for the periodic financial review. The chapter closes with a look at compliance, ethics, and professionalism.

The periodic financial review is the strategy espoused by this textbook. Chapter two outlines the process beginning with setting the expectation in the initial product sale. It then proceeds to apply the 8-step selling/planning process to the financial review process, spending the bulk of the discussion on identifying and approaching the prospect, and gathering and analyzing the information. Included in this discussion is the introduction of the financial planning pyramid, which serves as an outline for the rest of the course.

Chapter 3 examines products from the wealth foundation level of the financial planning pyramid. There is a brief discussion of an emergency fund and health insurance. The remainder of the chapter discusses the disability income insurance product and relevant ideas for establishing the need, gathering information, and analyzing the information and developing the plan. It ends with a look at handling objections.

Life insurance, another insurance product in the wealth foundation level of the financial pyramid, is the main topic of discussion in chapter 4, using the same format used in chapter 3 to discuss disability income insurance. Preceding this discussion on life insurance is a detailed look at Social Security, which is essential to understand when selling life insurance and disability income insurance.

Once the appropriate coverages for the products at a client's wealth foundation have been secured, the client should begin obtaining wealth accumulation products to attain various life goals. The largest of these goals is retirement. This chapter focuses on retirement planning in the accumulation phase. Then it provides an overview of mutual funds and deferred annuities—two products that many agents/registered representatives can sell.

Chapter 6 moves to the wealth preservation level. Products at this level are designed to protect assets, including one's house, that have been accrued for various goals. There is a cursory look at personal umbrella liability insurance and Medicare supplement insurance. The remainder of the chapter looks at long-term care insurance using the same approach used to discuss disability income insurance in chapter 3.

Chapter 7 examines immediate annuities, looking at the product and establishing the need, gathering information, analyzing the information and developing the plan, and handling objections. The planning context is retirement planning distribution, or the decumulation phase. The chapter ends with a discussion on estate planning.

The last chapter focuses on business management topics. The first of these topics looks at the strategic planning process for shifting to a multiline focus. This amounts to a review of basic business planning principles. The book closes with a look at recruiting and hiring, training, and retaining quality staff. Without quality staff, a vibrant multiline agency is impossible.