



Six Ways to Increase the Average Premium on Life Insurance Sales

When working on a life insurance case, producers are often so involved they can forget to look at the bigger picture. Even though the particular recommended solution is sound and satisfies the client's needs, quite often there are other possibilities that may be even more appropriate. Keeping them in mind can be difficult at best.

Here are six ways to increase the average premium, while, at the same, serve clients even more successfully.

Three Universal Life strategies

1. When quoting secondary guarantee no lapse UL products, also consider the benefits of presenting "Plus" type products that offer the same guarantees, but have significant better accumulation values for only slightly higher premiums. We all know that the insurance industry is constantly improving products and there is no sense in taking the client out of the 1035 market in the future by selling them a "no frills" policy. The cash that would accumulate in a "plus" type policy could be rolled into a newer and better plan and offset future premiums caused by buying a new policy at an older age.
2. When proposing no lapse coverage for applicants under the age of 50, consider showing two sales scenarios: one being a lifetime payment schedule and the other a limited pay to age 65 or 70. Today, many clients are concerned with their post-retirement expenses and may see this as a way to eliminate one of those costs.

3. Be aware of target premiums when proposing UL plans to clients. Several carriers offer rolling targets and may pay additional first year premium in the second year of the policy. This is especially important when a sale is being proposed where the coverage is not design to last to age 100. There could be commission dollars left on the table that rightfully belongs to you.

Three Term Life strategies

1. Always show the next available level term period in addition to the period requested by your client. Providing options changes the applicant's mindset from "Should I buy this proposed plan or not?" to "Which of these plans should I consider?"
2. For 20- and 30-year level term sales, propose Return of Premium term as an alternative. A client may prefer "renting" a life insurance policy and then getting all of their money back later, rather than "buying" It at a lower cost and have nothing in return should they live for the level period.
3. When quoting amounts also show the next band break as an alternative. If you're showing face amounts of \$200,000, \$400,000, for example, include proposals of \$250,000, \$500,000 and \$ 1 million. This strategy often provides a much better pricing option for a clients as well as additional coverage. It also makes it possible to engage the client in a conversation rather than a "sales pitch"

While these strategies offer ways to increase premium, they do so by engaging clients in a discussion of choices. In effect, they help the client become more aware of how life insurance can benefit their financial future.

Producers who take advantage of these six strategies will also be rewarded for their extra effort.