



Your Complete Guide to Selling Health, Critical Illness & Accident Insurance

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- *by J.R. Jordan*

Back in the day, distant memory for many of us, agents could earn a good 6-figure income selling Major Med alone.

A lot of water has gone under the bridge since then. Times have changed and with that many have left the industry, incapable of making a sustainable income like they used to. Not being skilled in cross-selling or lacking an understanding of "ancillary" products, they failed to take advantage of new trends emerging in the marketplace.

What are these trends? As you will see in this article, many Producers are once again making a 6-figure income selling Health Insurance, but Major Med has switched roles with Critical Illness and Accident Insurance. Major Med is the new ancillary sale and CI and Accident are the "Major Med." Let me explain and give you the wherewithal you need to succeed:

As an ancillary product specialist for over 15 years I spent most of my time training agents on the importance of cross selling a high deductible major medical plan along with an accident plan and a critical illness plan. Up until 2008 this was always an uphill battle with many factors working against me. These same factors are often still lingering today:

1. Major Medical Compensation not delivering what the agent needed without adding on more products.
2. A push back from health insurance agents that thought health insurance was the only product to offer.
3. The difficulty training a health insurance agent to sell life insurance and vice versa.
4. A major lack of understanding of critical illness insurance.
5. The agent's insistence to bring up the health sale first and leave critical illness and accident on the back burner.

Let's take a brief look at each of the points above:

1) Major Medical Compensation delivering what the agent needed without adding on more products.

If you haven't heard, health insurance compensation has sunk to all time lows. And to add more salt to the wound you should know that even if PPACA does not go through, long gone are the days of 20-28% commissions on health insurance. Back in 1999 we used to tell agents to sell health insurance to pay their major bills and sell critical illness insurance to pay for gas, utilities, etc. Today it is the other way around. With gas hovering around \$4 a gallon agents need to sell health insurance to pay their gas bills and sell critical illness & accident to pay their mortgage, rent, etc. The agent is not unlike the insured in the ci sale. The agent is selling ci to make their livelihood and the client is buying ci to protect their livelihood!

2) A push back from health insurance agents that thought health insurance was the only product to offer.

Now on to #2, Health insurance agents used to have similar views to the client with regard to major medical insurance. They all thought that if you had major medical coverage you were well protected. We now know better. We have seen countless studies, Harvard University publications, news stories and more that show us that many times major medical coverage leaves our clients too vulnerable. Whether it is losing their home, getting put into collection for outstanding bills, not being able to keep their children in school, the list goes on and on. Major medical covers the major expenses related to the hospital stay but who covers:

- House payment
- Car payment
- Utilities
- Groceries
- Child Care expenses
- Co-pays & deductibles
- THE COST OF LIVING

Money will not buy you happiness but it will buy you peace of mind. When a client suffers a critical illness or accident they get the financial protection they need to make it through those difficult times. That is why the client needs to be sold CI, accident and major medical on every sale. It makes financial sense to the client and now more than ever it makes financial sense to the agent.

3) The difficulty training a health insurance agent to sell life insurance and vice versa.

4) A major lack of understanding of critical illness insurance.

I am going to combine 3 & 4 and try to cover as much ground without you getting too bored with me. My father started in the debit world 30 years ago collecting nickels, dimes & quarters. He worked for Southern Life & Health, several marketing firms and prior to critical illness coverage he had 2,000 captive agents that were submitting over \$330 million dollars per year of health insurance premium. He always used to tell me that it was impossible to train a health agent to sell life insurance and a life insurance agent to sell health insurance. With critical illness protection we have finally been able to break down those barriers! In my opinion a quality critical illness plan is built on a life chassis. It looks like health insurance, acts like health insurance, shoot it even smells like health insurance! But it is life insurance. We show the health agent how to raise the major medical deductible to lower the premium and add in accident and CI coverage. We show the life insurance salesperson how great it is to have a living benefits life plan to add into their package. Let's say a client wants \$300,000 worth of UL and \$250,000 worth of term. Sell them the \$300k of permanent and \$150,000 of term. Then add in \$100,000 of term life CI so that in the event of a critical illness they not only have the funds they need to maintain their lifestyle but the funds they need to pay the premiums on the other plans you sold them!!! It is a win, win, win!

Accident coverage is perfect for both life and health agents as well! A quality plan includes accident, AD&D, emergency air ambulance, CallMD and a ton of other benefits. Just showing this plan to a client will get them interested and since you are the professional, the authority, you should have no problem with this sale.

5) The agent's insistence to bring up the health sale first and leave critical illness and accident on the back burner

#5 is going to cover two separate disciplines of cross selling the right way or what I like to call Reform Ready™ sales. You must first remember that CI and Accident have to be brought up BEFORE the health insurance explanation. Use these 8 simple questions for this approach:

*"Hello Mr. & Mrs. Smith. I understand you are interested in health insurance at this time. **In order to provide you with the best plan possible I would like to ask you eight simple questions:***

1. DO YOU KNOW SOMEONE WHO HAS SUFFERED A HEART ATTACK, STROKE OR CANCER?
2. WAS THEIR QUALITY OF LIFE AFFECTED IN A NEGATIVE MANNER?
3. IF I HAD A PRODUCT THAT COULD COVER YOU FOR \$10,000, \$25,000, UP TO \$250,000 IF YOU SUFFERED A COVERED CRITICAL ILLNESS WOULD YOU WANT THAT MONEY?
4. IF YOU CALLED ME IN SIX MONTHS AFTER HAVING A HEART ATTACK, STROKE OR CANCER, WOULD YOU WANT A GET WELL CARD OR A CHECK FOR \$25,000? YOU WOULD WANT \$25,000 RIGHT?
5. HAS ANYONE IN YOUR FAMILY EVER HAD AN ACCIDENT?
6. DID YOU HAVE TO GO TO A MEDICALLY QUALIFIED PHYSICIAN BECAUSE OF THAT ACCIDENT?
7. DID YOU INCUR OUT OF POCKET EXPENSES BECAUSE OF THAT ACCIDENT?
8. IF I HAD A PLAN THAT COVERED YOU AND YOUR WHOLE FAMILY FOR \$5,000 OF ACCIDENT PROTECTION WITH ONLY A \$100 DEDUCTIBLE WOULD YOU BE INTERESTED?

Because you answered those questions the way you did it would be wise to place you in a high deductible health plan. I can still provide Dr. Visits and RX Co-pays but the plan will be a lot less expensive and it will give us the ability to cover your family for:

Critical Illness Coverage

Activities of Daily Living Coverage

Life Insurance

Accident Insurance

AD&D

Emergency Air Ambulance

Call MD

Discounts on RX, Vision, Hearing and Dental

Dividend Club

You're Health Insurance

And so much more!

There is no such thing as bumper to bumper coverage in the insurance world but the plan I am putting together for you is very comprehensive and you will be saving a great deal of month every year!"

Who doesn't want to save money and have more protection than ever before? Did I mention that you will be making more commissions than you did prior to healthcare reform? Let me close with how to do that.

DO NOT CHECK THAT BOX!!! For those of you that follow my articles in www.producersesource.com you have seen this article before. For those of you that haven't please read, [Critical Illness and Accident Riders: Beware of the Checkbox!!!](#). Here you will get a simple explanation of why checking the box on

any health insurance application is the worst thing you can do for your client's protection, your commission and your persistency.

"The path of least resistance in the insurance world is the path of less coverage for your client's and less commissions for you"

As you know a health insurance company strives to issue between 60%-80% of their business. For easy math we will say that the insurance company in question issued 70% of the business that came in the door and the remaining 30% was flat out declines or client rejections due to rate ups and riders. Having them both on the same application was an absolute nightmare. Look at the numbers.

If 30% were declined the health coverage you also just lost the critical illness coverage commission and your client isn't protected!

If the client was rated up or ridered they didn't want the CI coverage because of cost or anger. When your clients get denied by a carrier they often take it personally and never wish to do business with them again. There goes additional coverage in place!

All of the above stays true for accident coverage. After this experience, almost two decades ago, we realized that health insurance should be sold through a health insurance company, accident insurance should be sold through an accident provider and critical illness should be sold through a critical illness company. This is definitely a situation where "one plan does not fit all". We discovered that the only way an agent could maximize income, maximize client coverage, and save clients' money was through product and company diversification.

Present your clients the benefits of the three plans separately and then tie them all together to give them the coverage they deserve and the income you have worked so hard for.

Short cuts like Check boxes for critical illness and accident might make your job easier but please remember that those very shortcuts will make you question your due diligence as an insurance professional. Is it right to offer 3 products through one carrier because it is the easy way? Personally I think offering the best of each product through the best carrier is a win-win-win. The client has more coverage than they have ever had before, they are saving more money than ever and you have diversified your income streams to protect yourself from life's ups and downs. Critical illness and accident insurance doesn't just maintain your client's quality of life; it maintains yours as well.

Please remember I work for you and I am always available to answer your questions.