

selling DI to the middle market

Sales Idea

The middle market is huge and has gone unnoticed in the Disability Income Insurance marketplace. There are immense opportunities to reach out to this market with information on the need for disability income planning and the need for purchasing insurance protection.

The middle market is defined as individuals earning between \$40,000 and \$100,000 who identify themselves as part of the middle class. They often work for smaller firms or are self-employed and have little, if any, access to employee benefits such as group long-term disability.

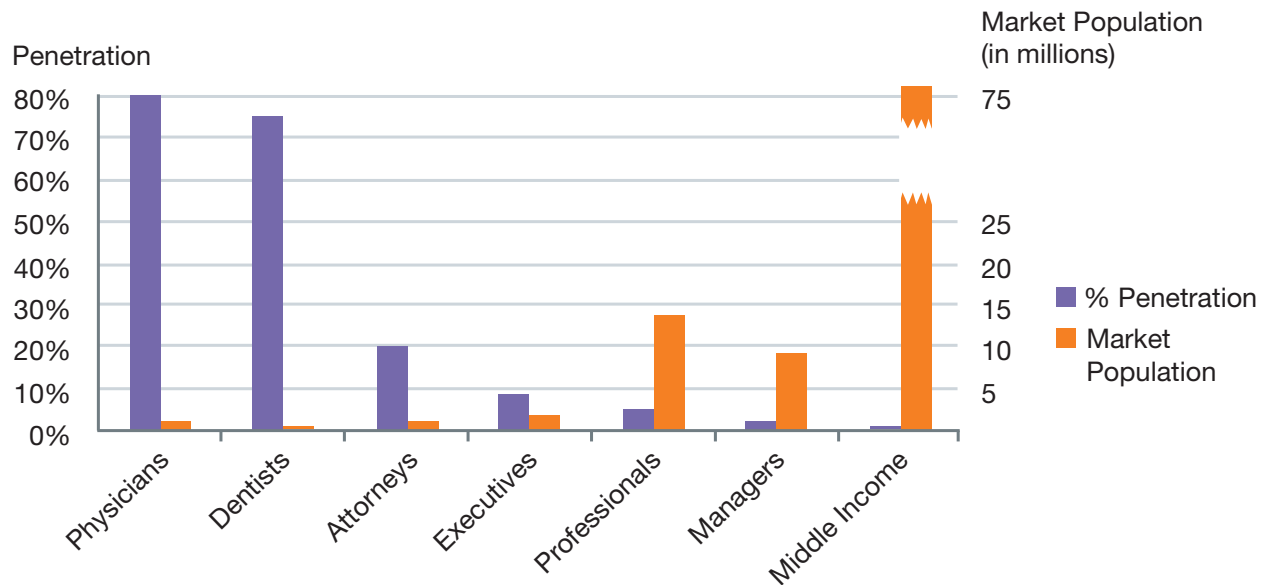
The middle market presents a large opportunity for Disability Income Insurance (DI) sales:

- The market is huge (about 75-100 million people) and underserved
- No one has approached this market to discuss disability planning
- The need has never been greater as more employers are cutting benefits
- Can lead to additional sales opportunities for other products

While middle market households want to make sound financial decisions, they aren't always sure where to start. They're looking for financial advice, but don't typically know where to get it. Most don't have a life or disability income insurance agent. As a result, they don't feel like their needs are being met.² The DI conversation can create an opening for other planning ideas and product sales.



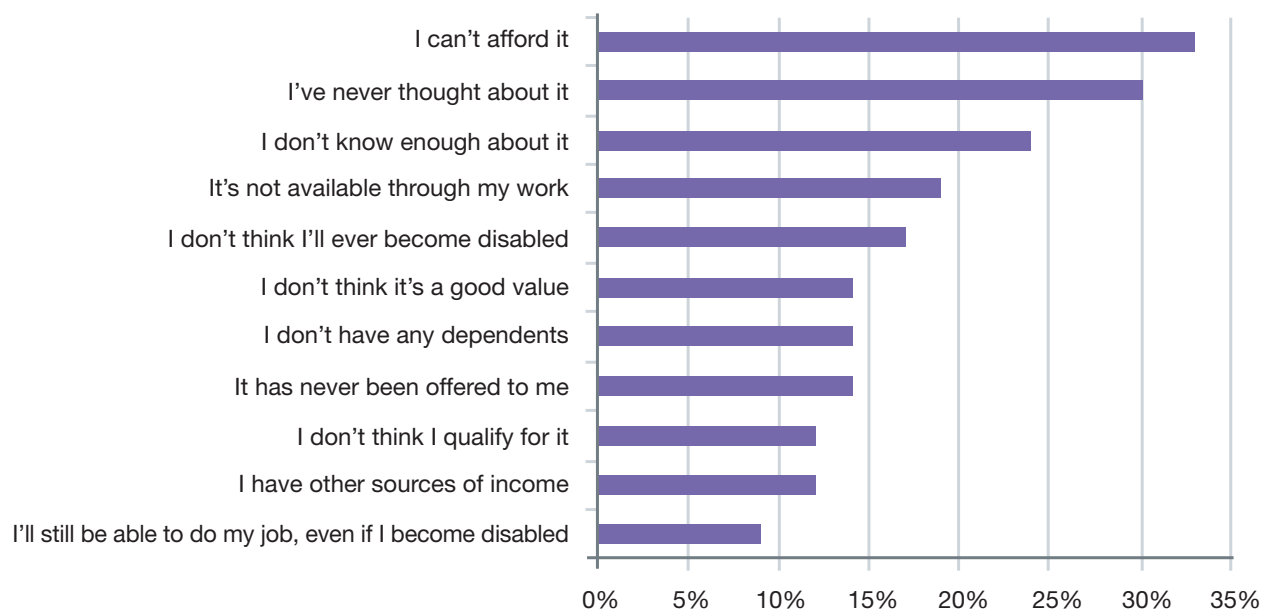
Despite the size of this market, it has been largely ignored by the financial and insurance industry, as efforts are more focused on the affluent and emerging affluent.¹



It's important to remember that those in the middle market need DI just as much, if not more, than their wealthy counterparts. Sixty percent indicate that they are concerned about having enough money to pay bills during a period of sudden income loss³, yet 57 percent of working Americans have no disability insurance coverage.⁴

What's Stopping Them from Protecting Their Income?

Consumers give the following reasons for not having DI insurance.⁴



Educate

As you can see, there is a great need for educating the middle market. There are many misconceptions about the risks of disability and how it would impact one's financial security.⁴ Discussing a client's needs and what they are trying to accomplish for their family can give them a better understanding of how a disability could financially impact them. In fact, 32 percent of people without DI would consider it if they knew more about it.⁴

It Can be Affordable

Cost can be a source of stress for middle market consumers. However, 41% of working adults would consider buying if it was less expensive.⁴ Ameritas has positioned our DI products to compete in the middle market:

- DInamic Foundation offers flexibility to tailor coverage based on the client's needs, including the Guaranteed Renewable option which makes it more affordable.
- DInamic Fundamental offers a lump sum benefit, a more affordable option to the traditional monthly benefit products. Plus it provides simplified underwriting and issuing processes.
- The DInamic Foundation Business Overhead Expense (BOE) policy is designed with lower pricing and built-in benefits and riders to meet the needs of small business owners.
- Business Owner Upgrade Program allows eligible, small business owners to upgrade their occupational class by one or two classes.
- Business Owner Income Enhancer allows eligible, small business owners to increase their insurable income by 20% to cover the loss of company perks.



Ameritas Life Insurance Corp
Ameritas Life Insurance Corp. of New York

¹ 2012 Munich American Reassurance

² Trillion Dollar Baby – Growing Up, The Sales Potential of the U.S. Underinsured Life Insurance Market. LIMRA, 2011

³ GenRe Disability Fact Book, seventh edition, 2013-2014

⁴ CDA 2014 Disability Awareness Study

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