

Sales Idea - Disability Income Insurance for Contractors

Market Watch

Small-business owners are an integral part of the nation's economy and individual disability insurance sales, as they rank in the top occupations seeking coverage.¹ Each situation is typically different, so fact-finding about your potential client's business is critical when trying to get a sale. Reviewing both your client's personal and business expenses is essential to providing the right amount of coverage when they need it most.

Client Scenario

Robert is a 52-year-old general contractor. He has spent the past 10 years growing his business and being a father (in no particular order). He is a single dad with two kids, and work-life balance can be as challenging as changing building codes and permit approvals. Robert's net annual income is \$46,000 a year, and his business has a net income of \$100,000.

Concerns

As the sole provider for his children, Robert's risk is real if he gets injured on the job. He has 15 years left on a \$250,000 mortgage. His children are about to enter college. He has taken on some credit card debt to fund equipment and supplies needed between jobs.

Solution

Protecting Robert's business is essential to the financial security of his family. Robert applies for an individual disability insurance plan with a **monthly benefit of \$2,800 for two years** with a **90-day elimination period** to cover his salary needs. He also takes out a monthly benefit of **\$15,000 in Business Overhead Expense** disability income insurance to cover the operational expenses of his business. If something were to happen to Robert, this would allow him to hire someone to keep his company running while he is getting back on his feet.

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\$66.50/mo.	Century+ Individual Disability Income Insurance policy
+	Occupation Class 4A (Business Owner Upgrade),
	Non-smoker
\$165.88/mo.	for Business Overhead Expense, 1-year benefit OR
\$231.48/mo.	for Business Overhead Expense, 2-year benefit

1. Milliman, 2017 Annual Survey of the U.S. Individual Disability Income Insurance Market, October 2017.

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