

If you are selling income protection (IP) for the first time or perhaps looking to move into IP from another financial product, or you simply need a hand identifying your customers, use these simple steps as a guide to a successful sale.

## Step 1 – Find your customers

A typical customer of income protection is someone who:

- gets limited or no sick pay from work
- has limited savings to call on when their earnings stop
- is self-employed, particularly blue collar workers

We find the following types of occupation/profession lean towards our income protection contract:

- Manual trades, HGV drivers and taxi drivers, hairdressers, teachers, engineers and more recently white collar professionals

- TIPS •
- Start by looking at your **existing** client base. Do any of them fit into the above categories?
  - Identify **new** customers:
    - Think about the occupations or businesses in your region
    - Use yell.com or local business directories to find them or contact your local Chamber of Commerce
    - Identify industry federations - did you know there is a Federation of Window Cleaners?
    - These sources may provide you with a "mailing list" of companies or self employed people
    - Also think about opportunities at networking events such as those organised by your local Chamber of Commerce, either presenting about the importance of IP or targeting the companies who attend
- TIPS •

## Step 2 – Use the marketing tools available

Once you have identified your potential customers, use the resources of the providers to help you identify key features and selling points:

- Go to [www.cirencester-friendly.co.uk/financial-advisers](http://www.cirencester-friendly.co.uk/financial-advisers)
  - Download as many items of literature as you need, or for printed items, contact us
  - Use our Business Development Consultants to help you with your training and support needs

- TIPS •
- Use the leaflet or the poster:
    - Mail some of your leaflets out, using local papers or Royal Mail marketing services
    - Mail shot the lists from yell.com, business directories or industry federations by email or letter
    - Many of our IFAs place both the posters and leaflets in local community clubs and sport centres
- TIPS •



## Step 3 – Know your product

Get to know the key features of an income protection product or provider. Look out for features that can distinguish one provider from another:

- How flexible is the product?
- Are there products that don't load premiums on smokers, risky occupations, females or hazardous pursuits?
- Is there an option to build a Capital Sum?
- What are the claims statistics of the provider?
- What appeals to your customers?

## Step 4 – Be prepared to overcome the objections

We know common objections arise when clients take out income protection. If you have some key facts to hand, you can counter these arguments:

"I'll manage on State Benefits"

Weekly expenditure of your average Briton is £333<sup>1</sup>, yet Employment Support Allowance (ESA) only pays £94.25<sup>2</sup> - that's quite a shortfall each week! Of the 2.6 million people in the UK who currently claim incapacity benefit, up to 90% may be rejected in some regions under the new ESA<sup>3</sup>.

"I'll manage on my savings"

The average Briton only has enough savings to last 52 days<sup>1</sup>.

"It's too expensive"

A typical Income Assured Plus contract with Cirencester friendly could cost as little as £18.24 per month. Do your price comparisons and see just how competitively priced Cirencester friendly are<sup>4</sup>.

"Insurers don't pay out claims"

Cirencester friendly currently pay 94 out of 100 claims<sup>5</sup>. Use our Claims Statistics leaflet to explain the reasons why some claims cannot be met and ensure that your clients don't fall into that category.

"If I don't claim it is wasted money"

Look for providers who offer that little bit more, like Cirencester friendly, who offer an option to accumulate a Capital Sum payable at the maturity of the contract or death.

"I don't want to be tied in"

Look for a contract that can be amended throughout the term. Make sure the contract is flexible enough to suit your client's individual needs. Don't forget, an IP contract can be as short as your client needs it to be<sup>6</sup>.

## Step 5 – Speak to us! We are here to help

We have dedicated Business Development Consultants (BDCs) who are there to offer free face to face support, be it advice or training, on Income Assured Plus.

Contact our **Sales team** now on **0800 587 5098** for more information or to arrange a visit from your local BDC. Alternatively, email [sales@cirencester-friendly.co.uk](mailto:sales@cirencester-friendly.co.uk) or visit [www.cirencester-friendly.co.uk](http://www.cirencester-friendly.co.uk) to find out more.

<sup>1</sup> Based on a survey by Yorkshire Building Society. The average level of savings is £2,474, the average spend per month is £1,445.

<sup>2</sup> Department for Work and Pensions (DWP) July 2011: based on the ESA basic weekly rate of £94.25 for those in the work related group. Statutory Sick Pay continues to be £81.60 per week. Alternative benefits such as Incapacity Benefit may be paid to continuing claimants. For full details refer to the DWP.

<sup>3</sup> "New blow to sickness benefit applicants", Financial Times, July 12 2009, which states that figures from the Department for Work and Pensions have revealed that 2.6 million people in the UK are currently claiming incapacity benefit, but under the new system proposed by the

Government, this figure could be cut by as much as 90% in some regions.

<sup>4</sup> Based on a 34 year old self-employed builder who earns in the region of £22,000, looking for an 8 week deferred period. For this he would get £1,091 per month in benefit. Based on price comparisons on Exchange and Assureweb on 18/07/2011, Cirencester friendly had the most competitive prices in 6 out of 6 example scenarios of income protection quotes. Details available from Cirencester friendly.

<sup>5</sup> In 2010 we paid 94% of claims eligible for consideration.

<sup>6</sup> Pure protection contracts only. Contracts that have a Capital Sum will be subject to an early termination charge but only if the Member has an available credit balance.

Sales Aid which can be used by intermediaries as required when discussing the benefits of the Society or its products with clients. As the contract contains an option that allows Members to accumulate a Capital Sum if they want to, business can only be accepted from intermediaries regulated for investment business.