Future ready

Reliable and relevant

By Sheryl J. Moore

I will never forget the day when Grandfather came home with tears in his eyes, talking about his client who had died unexpectedly. You see, this client's wife had just held my grandfather's hand for *hours*, as people came through a funeral home, paying their last respects to her husband. She repeatedly thanked him, looking for something reliable in a time when her world was turned upside down. I didn't know exactly what my grandfather did for a living, but in that moment in time, I could see that he was the most *important person in the world.*

This was my baptism into the life insurance profession. When I first started in this business, it seemed as if our focus was on **protection.** What mattered most to all insurance stakeholders was protecting families in the event of an unexpected passing of a loved one or in the event of living longer than expected. We focused on guaranteed death benefits and guaranteed income for the rest of one's life, as that was what consumers asked for.

It seems there has been a material shift in our business over the past couple of decades. Somehow, along the way, protection has become less important. Many insurance salespeople do not even seem concerned that one of the most important factors when selling a product is the financial strength and reliability of the insurer. (Remember that sentence on the front page of every policy? "The guarantees in this contract are only as good as the claims-paying ability of the insurer.") Somehow, the focus has shifted away from guarantees and instead has centered on **asset accumulation.** Rather than selling on the top value proposition of the products in our toolbox, we are staring down the unlikely possibility that these products will accumulate magnificent gains. Illustrated rates, caps, shadow values, and multipliers have become common nomenclature.

Since COVID-19 became a thing, the stock market has plummeted, and the 10-year Treasury has reached unfathomable lows. This has had a negative effect on the life insurance and annuity products in our toolbox. Bonuses have dropped. Commissions have declined. Rates are even worse. The convoluted complexity that is being cooked into these instruments — in the interest of making them "more marketable" — has become overwhelming.

How are you supposed to tell your clients about the magnificent potential of a not-even-mediocre product? First, stop psyching yourselves out. Your prospects do not remember when universal life policies were crediting 12% rates. They have not been shopping for indexed annuities since they offered 9% caps. That said, your potential clients *do* know that when they go through their local bank drive-through, they are seeing Certificates of Deposit

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being advertised at 1% (taxable) credited rates. *This is the new benchmark, ladies and gentlemen:* Can you beat 1%?

Next, realize that despite all the changes to your favorite life insurance and annuity products, the chassis that they sit upon is still unchanged. Sure, the *potential* may be less, but we should have always been selling on the *guarantees*. After all, the guarantees are still what consumers are most interested in. Wasn't it Mark Twain who said, "I am more concerned about the return *of* my money, than the return *on* my money?"

Lastly, we need to remember why we are all in this business: protection. What you are offering is still relevant. It may not be the product that you were selling a decade ago. However, death is the one thing that we will all ultimately face; thus, everyone needs to ensure their affairs are in order when that happens. The top fear of Americans today is running out of money during retirement, and annuities are the only instrument that can guarantee a paycheck for the rest of one's life. Given that, you *already* have the right tools in your toolbox. Now, get out there, be confident, and remember — what you have to offer is *invaluable*.

Sheryl's grandfather

Photo courtesy of Sheryl Moore