

## SALES OPPORTUNITIES AND APPROACH – STEP 3.

3

### SET THE SCENE

**It's important to help your clients understand the potential risks they may face.**

Making directors aware of the dangers that their business could face can often be the hardest part of the business protection sale. It's worth taking directors on a journey that highlights potential impacts on the various elements of their business.



Open up discussions by asking which of the following would damage their business the most:

- A company car is stolen
- The photocopier breaks down
- One of the business owners suffer a heart attack
- The courier lets you down
- Theft of a computer
- A window is broken by vandals
- A business owner suddenly dies

Any business owner is going to highlight critical illness and death. Out of these two which would have the biggest impact? Your client would more than likely choose the critical illness as this can cause uncertainty within a business.

Your client should now fully understand what you are going to talk about and they should be aware that critical illness is an important issue.

### **Sales Idea – What is the Solution?**

Here is an ideal way to highlight the need for Business Protection.

If a key person were to die or become diagnosed with a critical illness where would the business get the money to cover this potential financial loss?

| <b>A BANK LOAN</b>   | <b>OR</b> | <b>PROTECTION COVER</b>  |
|--|-----------|--|
| <p>£500,000 Loan (as an example)<br/>Interest rate 9%<br/>Annual interest of £45,000<br/>Monthly interest of <b>£3,750</b></p>   |           | <p>£500,000 sum assured (as an example)<br/>Life and Critical Illness <b>£327.20 pm</b> (£3,769.34 pa)<br/>Life only <b>£63.65 pm</b> (£733.25 pa)<br/>This is based on a healthy male, 48 years next birthday, non-smoker, 10 year term with waiver of premium and critical illness cover. Premiums are guaranteed. Rates correct as of 9th September 2010.</p> |
| <p><b>Risks</b></p> <p>Is the finance actually available?<br/>The capital will need to be paid back.<br/>There could be credit rating issues.<br/>The value of the business and future profitability could be at risk.<br/>Personal security may be requested.</p> |           | <p><b>Considerations</b></p> <p>Underwriting considerations.<br/>Calculating the appropriate level of cover.<br/>No capital to pay back.<br/>As with all insurance policies limitations and exclusions apply.</p>  |

### **Which situation would your client rather be in?**

The cost of having business loan protection, key person cover and share protection, could potentially be significantly cheaper than taking out a loan.

