

Critical Illness: The Key to Success for You (and Your Client)

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It is my absolute pleasure to be back here in New Orleans, where I attended my first meeting of the Million Dollar Round Table in 1999. I went back a transformed man, a changed man, a man of purpose.

Many of our clients will not have heard of MDRT. What they see us do daily, and do so well is our job of being there for them when they need us the most. Since we protect our clients' financial lives with the products we sell and service, we show them that we care. MDRT has made me a better advisor, a better person and a person who cares for his clients. In turn, our clients vastly benefit from our caring and our knowledge, and they are touched by our passion.

Since MDRT provides me with all the tools to succeed in my business, all I have to do is put these principles into practice and impart this to my clients by my actions.

Today I invite you to find your purpose at this meeting. I will share with you how to make your selling experience a transformed experience and an enlightening experience for both you and your clients.

Today you will learn the following:

1. Who we are
2. Why we need to offer C.I.
3. Why I sell C.I.
4. How to identify the need
5. How to answer objections
6. How to market C.I. to various occupations and groups
7. Advertising and branding
8. And finally, how to double your income in the next twelve months

Please remember that, no matter how many speakers you listen to at this meeting, you cannot afford to get an illness called "FTIS". Has anybody here heard of this illness called "FTIS"? Also known as the 'Failure to Implement Syndrome'!

For those of you who are new to Critical Illness Insurance, here is a thirty-second introduction. Dr. Marius Barnard, the famous South African heart transplant

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surgeon created this product in 1983 to give his patients a financial helpline while they recovered from serious physical illness. Today around the world this insurance covers conditions ranging from heart attack, stroke or cancer to over a hundred specified illnesses. The plans range from no waiting time to fourteen or thirty days. A person diagnosed with a specified illness receives anywhere from a few thousand to two million dollars in a lump-sum, tax-free payout.

You see, folks, Dr. Barnard did not design C.I. Insurance to make people rich, but rather to keep them from becoming poor.

Benjamin Franklin said: "Drive thy business or it will drive thee."

If we do not put into practice what we hear, see and learn, then this whole annual meeting is of no consequence. So my suggestion is to put into effect some of these ideas right away!

Calvin Coolidge said: "We cannot do everything at once, but we can do something at once."

1. Who are we?

Vincent Van Gogh said, "Your profession is not what brings home your pay. Your profession is what you were put on earth to do with such passion and such intensity that it becomes spiritual in calling."

General Douglas MacArthur said, "There is no security on this earth, there is only opportunity."

Each day people die, and each day people suffer from critical illness. A number of people have inadequate life insurance. In the case of C.I., they may have no coverage in place. These people are not only severely hampered; they face financial ruin. These people need you to guide them through life's financial challenges. These people have nobody to turn to for financial advice. They have no one to help them. They need you and they need you now. Doubts may linger in your own minds, but your ability, talent and education can transform not only your clients' lives but those of their families and future generations as well.

You hold the key to their financial well-being in your hands. Please unlock it.

One does not light a candle and try to hide it in the dark; the candle illuminates its surroundings. You can throw light on your client's financial needs and you alone can best protect your client's financial health. A computer cannot do this, head offices cannot do this, and the Internet cannot do this. You are the key. You are the last hope for good competent advice given on an individual basis.

So you see, no matter what obstacles you may have to overcome, you owe your clients the best possible advice right now. The scriptures state, "The harvest is great, the labourers are few, many are called, few are chosen." Your clients have chosen you to look after their financial health. Do not let them down. Take your eyes off your own problems and pay attention to your clients' problems. In the process you might notice that your problems become insignificant compared to theirs. Our attitude will dictate how we overcome adversity.

We are ordinary people who perform extraordinary deeds on a daily basis. We are INSURANCE PEOPLE. We protect our clients' financial health and all their financial tomorrows TODAY.

2. Why do we need to offer Critical Illness Insurance to our clients?

I believe that there are two types of people in the world: clients and those waiting to become our clients.

Insurance agents and producers have a moral, legal and ethical obligation to share this tremendous product and its benefits with their clients. We have a moral and ethical obligation because we are required to protect our clients from impending financial ruin. Our legal obligation is our fiduciary duty as a financial advisor to protect them and their financial health.

Statistics

You will notice some frightening statistics here but what I want you to remember is that these are not just figures but real people. These folks are your clients and mine.

In Canada, in the year 2004,

- 145,500 cases of cancer were diagnosed to date.
- One in two people will suffer from heart disease.

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41.1% of males and 36% of females will suffer from cancer during their lifetime.

In North America, 50% of males and 35.5% of females under the age of 40 will suffer from heart disease during their lifetime. If you are falling asleep, this ought to wake you up.

In the U.S.A.,

- 1.5 million people will suffer heart attacks.
- 1.45 million people will suffer from cancer.
- 700,000 people will suffer a stroke.

In America on June 27, 2005,

- 4,000 people will have a heart attack,
- 4,000 people will be diagnosed with cancer, and
- approximately 2,000 people will suffer from a stroke.

One in every two American men and one in every three American women will develop cancer in their lifetime.

Cancer will strike three out of every four families.

The "Big Three" versus "Death Incidence":

Heart attack	1,500,000
Stroke	700,000
Cancer	<u>1,450,000</u>
Total:	3,650,000

Death from all other reasons combined equals 2,400,000

Just from three critical illnesses: 3,650,000

Versus

Death from all other reasons combined: 2,400,000

According to the World Health Organization, by the year 2020, cancer will have increased by 50% globally, which translates into 1 in 2 people as opposed to 1 in 3.

3. Why do I sell C.I.?

I believe that, without what I provide, all other aspects of a client's personal and financial plans could be seriously jeopardized.

I believe that I am helping people protect their financial health.

4. How do we identify the need?

Selling is a concept that I divide into three reasons: the first is the physical one, the second is the scientific one, and the third is the spiritual one.

Selling is a full-body contact sport. The more contact you make, the more successful you will be.

How many people here have heard of Newton's law of motion? Can someone tell me what it is?

Every object in a state of uniform motion tends to remain in that state of motion unless an external force is applied to it. In other words, your bills, your manager or your banker is the external force making you work.

You give hope to clients when they need it the most. You protect the widow and the orphan, ensure that families are made whole and businesses saved, and work for everything else that is important to all of us. There is no greater calling than to protect our fellow human beings.

No matter what category you choose, all these have to work in unison to bring you here to this meeting.

How to open a sale

I use different opening techniques; one of them is a "Who do you know?" Questionnaire.

First Name	Condition	Age diagnosed
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
9. _____		
10. _____		

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Please take a few moments to think about people you know—family members, friends, neighbours and business associates—who have suffered from one of the conditions covered in most Critical Illness Insurance programs.

Jot down their first name and the age at which they were diagnosed. Picture them having received a tax-free lump sum of \$200,000 or \$300,000, and think about the difference this money would have made to help them toward recovery, to maintain their lifestyle or to perhaps save their business ...

Did any of these people plan to be on this list?

This questionnaire brings home the reality of the number of people we know who suffer from a critical illness and the potential financial hardship that it can cause.

Let me show you a way to protect your financial health for just dollars a day. I created another opening technique that I use regularly.

Three most important things to me! (With families)

(Give your clients a blank page of paper and ask them to write down answers to your three questions.)

- I. If you had had a heart attack last night, what are the three most important things that you would want to take care of today?

- 1) _____
- 2) _____
- 3) _____

(Generally, clients choose health, family and job/finances)

- II. If you had been diagnosed with a life-threatening cancer last night, what are the three most important things that you would be worried about today?

- 1) _____
- 2) _____
- 3) _____

- III. If you had had a stroke last night, what are the three most important things in your life that you would want taken care of today?

- 1) _____
- 2) _____
- 3) _____

Hold it for a second,

Mr./Mrs. Prospect

If you had a stroke last night, in reality, today you might **NOT** be able to talk or write down the three most important things you would want taken care of today. Do you agree?

Do you insure your car before or after a car accident?

Do you insure your home before or after a house fire?

When you are a victim and a survivor of one of these “**NASTY**” illnesses, do you need to worry about the added burden of a financial crisis when you are already dealing with questions of life, death and survival?

Let me show you how you could be **financially assured** in the event of a Critical Illness for just dollars a day!

When potential clients tell me that they already have enough insurance, generally people refer to life insurance. I reply, “Life Insurance pays you on the diagnosis of death. Disability Insurance pays you on the diagnosis of an ongoing disability. Critical Illness Insurance pays you on the diagnosis and survival of a covered illness. It simply pays you to live. Do you have anything like that?”

Identifying Personal and Corporate Needs

For Personal Needs Analysis, I ask several questions such as:

1. If you suffered from a heart attack, stroke or cancer today, would you want your mortgage balance to be fully paid off? If yes, what is your mortgage balance?

\$165,000

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- | | |
|--|-------------------|
| 2. In the event of a C.I., would you want your credit card debt and your line of credit paid in full? If yes, what is the amount that would suffice? | \$ 10,000 |
| 3. In the event of a C.I., would you want to make sure that all your other financial obligations were met? If yes, what is the amount that would meet your need? | \$ 40,000 |
| Total Need | \$ 215,000 |

For Corporate Needs Analysis, I ask questions such as:

- | | |
|--|------------|
| 1. In the event of a heart attack, stroke or cancer, would you want your business loans paid off in full? If yes, what would be your loan balance? | \$ 100,000 |
| 2. In the event of a heart attack, stroke or cancer, would you want your lines of credit to be fully paid off? If yes, what would be the amount required? | \$ 100,000 |
| 3. In the event of a critical illness, what would be your obligation towards your building lease/mortgage payments? | \$ 180,000 |
| 4. In the event of a C.I., what would be your obligation towards your leased equipment payments? If yes, what would be the amount required? | \$ 23,000 |
| 5. In the event of a C.I. who would be responsible for running your business? Who would pay their wages? What would be the amount needed to meet your obligations? | \$ 120,000 |

- | | |
|--|-------------------|
| 6. In the event of a C.I., what would be the fixed expenses for your business? Would you like this amount to be covered? | \$ 60,000 |
| 7. In the event of a C.I., would you want any thing else covered? | \$ 40,000 |
| Total Need | \$ 623,000 |

In Canada, I often ask my prospects two questions:

- 1) When was the last time your car insurance repaid you in the event of no claim?
- 2) When was the last time your home insurance repaid you in the event of no claim?

I have a special type of insurance that repays you all your money. Would that be of interest to you?

Some clients will ask why they need C.I. when they already own life and disability insurance. My answer to them is, "Would you cancel your car insurance just because you own home insurance?"

Producers often ask me how to sell larger cases. Let me tell you a story of Akbar the Great, a Mogul Emperor of India. Akbar was a very popular king, who scheduled days when people could approach him directly at the palace with their requests for favours. The poor and beggars alike were requesting nickels and dimes.

One day a man came with a very bold request. He wanted a dowry for his daughter, higher education for his son, and a farm for himself. Amazingly, the Emperor said a resounding "Yes" to all his requests. The court advisors wanted to know why the Emperor was so generous to this person. The Emperor responded, "Every week we do this; people in rags come and beg for pennies. I am tired of it. This man made a request befitting an Emperor."

Until you ask for a sale, you never know.

Unless we care about our clients' financial well-being, we will not be really successful in marketing this product.

Let me tell you a story about caring and the lesson a little child taught me.

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On the first birthday of my younger son Jamison, my family went to church in Victoria, and during Mass our parish priest asked if anyone in the congregation had any special requests for prayers. A lady asked for prayers for her brother in Vancouver, who was fighting cancer. Everyone prayed and later I completely forgot about this event.

One day later in the year, my older son Trenton asked me where I was going that day to speak on Critical Illness Insurance. I explained that I was meeting with a vice president of an insurance company. My son thought about this, and then said, "Good, maybe you can talk to him about the man in Vancouver who is suffering from cancer."

"What man?" I asked.

"The man whose sister asked for prayers a while ago in church," he replied. I told him that the insurance companies couldn't do anything for the man because Critical Illness Insurance is sold to people while they are still healthy, and I explained to him that they couldn't stay in business if they gave this insurance to people who were already ill.

"Oh, that's not very good," my son replied. He was silent for a minute, and then said something so profound:

"Hey, Dad, why don't you talk to the lady in church and give her Critical Illness Insurance now, so when she gets cancer then the money can help her."

A young child had his priorities right. He cared enough to make sure this lady would be protected. He came from a point of genuine care and concern. This changed my working life. I have a sense of urgency to talk to my clients to insure them while they are still healthy.

Remember, getting a critical illness is not an option; getting better is.

Would everyone in this room please stand.

Would anyone who owns a CI policy, please take your seats.

Would anyone who cannot qualify for a CI policy because of medical reasons, please take your seats.

I see that a good portion among you do not own this policy.

In my opinion, it ought to be a crime to sell this policy without first owning one ourselves, unless we are unable to qualify.

Would the rest of you please take your seats!

How many of you took a flight to get here? Please raise your hands.

If you recall, your flight attendant stated that, in the event of an emergency, a mask would drop down and you should place it over your face before helping children and others around you.

Similarly, if you don't own a financial help line, you will be in no position to help anyone dependent upon you, including yourself!

If you care about yourselves and your families, you will buy this coverage today.

If you care about your clients, then at least present it to them and let them have the option to say 'Yea' or 'Nay.'

Let me share with you a story from Vancouver, B.C. A few years ago a general insurance agent, who happened to be the top insurance agent in his company, lost his home due to a house fire. This gentleman lost everything. The newspapers had a field day because he was so busy insuring everybody else that he neglected to insure his own most valuable assets. Don't become that insurance agent.

5. How to answer any and all objections

"I have no dependants."

What clients are really saying is that they have no one to depend on. I ask, **"Who would feed you if you had a stroke?"**

A stroke affects two people. **Would the other person feel comfortable depleting all their assets to pay for your caregiving?**

The average individual's only liquid asset is their Pension Plan. Often this is the first and only source of emergency money available. Let me show you a way to protect that for just dollars a day.

"It won't happen to me!"

Do you know anyone who has had cancer, suffered a stroke, or had a heart attack in the last five years?

If so, no doubt they were surprised that it happened to them. Each person who arrives in the emergency room with a heart attack wasn't planning on being there either. Statistics offer proof that it will happen.

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If it happened tomorrow, what would your financial situation be?

If you knew that you would have a heart attack in 9 months, would you want this policy?

How do you know that you won't?

You see, you can replace your car or your house, but your financial wealth will depend on your financial health. So take care of it by insuring it while you are still healthy.

"Now is not the right time for this."

I reply, "People never get sick at the right time. It is always at the wrong time."

"I can tap into my Pension Plan or borrow money. Why do I need to have an extra payment every month for this? I have no debts."

You are interested in making money, aren't you? The interest on the money that you borrow will be more than the premium on this policy. The tax you will pay on the withdrawal of your pension money will be more than the premium on this policy.

If a client cannot afford to insure the full need, I tell my client,

"Let me pay the taxes on your Pension Plan when you take the money out in the event of a critical illness."

"I don't have the extra money for this right now."

Mr. and Mrs. Client, I have never found anyone with extra money; you definitely can see how difficult it is to set aside a dollar or two a day. Now imagine when you are faced with a life-threatening illness and, coping with it, you have to come up with \$100,000 or \$200,000. So which would you prefer: one dollar now or \$100,000 later?

"I like it, but I have to ask my accountant about it. He/she advises me in all my financial matters."

Mr. and Mrs. Client, your accountant will not pay your bills in the event of a heart attack, stroke or cancer.

"Is it really worth having this plan, financially?"

Your way, the cost is 100%.

My way is just 2%.

"I am wealthy enough, why should I buy Critical Illness Insurance?"

I sell dollars at a discount. They cost just pennies apiece. Why shouldn't the rich be entitled to my discount

dollars? You do own home and automobile insurance, don't you? So why self-insure? Why not use other peoples' money and save your own? People tend to insure everything they own except their financial health.

"Is this a good investment?"

Mr./Mrs.Client, do you have two pennies on you? Could you please give me the two pennies? Good! Here is a dollar in exchange! Is that a good investment?

2% of your wage can ensure that 5 to 10 years of your income is paid to you in a lump-sum, tax-free cash payment in the event of a critical illness. Does that sound like a good investment to you?

"I have an excellent relationship with my bank, and I can borrow money anytime. Why would I need this?"

Joe E. Lewis once said: "A bank is the thing that will always lend you money if you can prove that you don't need it."

You can buy my money for less than you can borrow! Cost for a C.I. policy might only be 2% for \$100,000. If you are lucky enough to have a bank give you a loan in the event of a critical illness, you might be paying 8% or 9% for the privilege of borrowing \$100,000. You can borrow at 8% or 9% or you can take my money at 2%. It is your choice.

"I don't have the time for this."

Critical Illness Insurance is a contract that can create time and money. You see, Mr./Mrs.Client, when you are diagnosed with a critical illness, my company will pay you so you can create extra time to take care of family and your health at the same time. You will be saving time that you would have spent worrying about family and finances.

"Does my wife need Critical Illness Insurance too? Can we just insure one of us?"

Mr./Mrs.Client, life is like a seesaw. You need two people to seesaw. One cannot seesaw alone. When 50% of your team is down, your other 50% will have to contribute 100%.

"How much coverage should I buy? Give me some time to think about how much I should buy."

After I have done the usual needs analysis and answered all relevant questions and the prospect is having "analysis

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paralysis,” I answer, “All your tomorrows are worth what you are insured for today.”

“I notice there is no refund of premiums in the first or second year. Does that mean I have to wait until the end of the term to get money back?”

Mr./Mrs.Client, you do not want a refund of money if you are diagnosed with a critical illness in the first or second year. What you need is the payment of the proceeds. You want the policy to pay the full sum insured!

“I already have enough disability insurance. Why do I need C.I.?”

It is easier to turn Capital into Income than it is to turn Income into Capital. If you prefer to receive monies on a monthly basis, provided you have an ongoing disability, then D.I. is your answer. If you prefer to receive a lump sum of money, even though you have survived and recovered from a critical illness, then C.I. insurance is the answer.

“Is it expensive?”

No! Considering the alternative, it is pretty cheap!

Or consider that surviving a critical illness may kill you financially.

“I can’t afford it.”

The cost can be less than 2% of your total debts. What rate of interest are you now paying on your debts? The premium you pay for your Critical Illness Insurance protection will pay off your debt when you suffer a critical illness and survive.

6. How to market Critical Illness Insurance to various occupations and groups

Information, reason and logic are important, but passion is the key to this product’s success. No passion, no sale. I want you to repeat after me: “No Passion, No Sale!” Passion without compassion is like an empty vessel—all noise, no content. Compassion completes passion.

I talk to everyone I meet about Critical Illness Insurance. When asked what I do for a living, I reply, “I give large amounts of tax-free dollars to anyone who is diagnosed with cancer, survives a heart attack, suffers a stroke or experiences any of the covered illnesses.”

I also reply that I create a Personal Financial Health Credit Line. This credit line entitles you to a lump-sum, tax-free cash payment upon diagnosis and survival of a critical illness. The beauty of this credit line is that you never have to pay it back. Do you have anything like it? Let me show you how, for the price of a cup of coffee a day, your financial health can be protected. If a person is older than the price, it is still a cup of coffee a day but now it is Starbucks coffee, \$3, \$4, or \$5 a day.

Producers often ask me, “What is the secret to a successful agent?” My answer is:

- We have two ends with a common link. With one end we sit, and with the other we think. Success depends on which we choose. Heads, we win. Tails, we lose.

Ladies and Gentlemen, as an insurance agent, my competition really consists of only two things: illness and death. My job is to get to my clients before my competition does!

I often tell my prospects that there are three stages to a critical illness. They are: ILL, PILL, and BILL.

Mr./Mrs.Prospect, I can’t help you with the first two, but I can certainly help you with the last.

I want to share with you a few rules that I try live by:

- The Jesuits, who educated me, taught me a long time ago that, “You have to be flexible. If you are not flexible, then you become rigid, and only the dead are rigid.” The key is flexibility – stay open to new ideas.
- I follow a simple formula for success in this business. I work 8 hours, sleep 8 hours, and make sure they are not the same 8!
- My parents taught me that falling down is not a sin, but failing to get up is.

Marketing Phrases I commonly use:

- CI insurance, it’s expensive. ... Not at all. Survival is the most expensive part!
- Die cheap for \$100 or live with \$200,000!!
- Would you rather have a heart attack and lose your home ... or have a heart attack and lose your mortgage?
- Has your financial advisor shown you a way to protect your financial health if you are diagnosed with cancer or suffer a heart attack or a stroke?

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- Your bills won't go away when you have a cold. They certainly won't go away when you have a stroke, heart attack or cancer.
- How would you like access to the best health care possible for \$5 a day?

Imagine surviving a major operation to find your family had suffered the cuts ... Car expenses, pension, children's education, house bills, mortgage, and holidays. Who pays?
Physicians

Top ten reasons I like to sell Critical Illness Insurance to Doctors:

- #1 I get to tell the Doctors...what I found in their urine.
- #2 Doctors believe me when I tell them that C.F.P. stands for...Certified For Physicians.
- #3 Doctors give me ALL the **sample** drugs that I can use.
- #4 I get to walk into the psychiatric department any time I want to.
- #5 Doctors don't need to be sold on the fact that they might get sick...So, I can go straight for the close.
- #6 Doctors are educated in many areas...None of which is Critical Illness Insurance.
- #7 I receive free medical advice with every application.
- #8 Doctors don't have time for lunch...So I only have to buy them coffee.
- #9 Doctors Make Lots of Money.
- #10 Doctors make lots of money.

Letter to Physicians

Another thing I do to secure appointments with physicians is to send a letter that reads like this:

Dear Doctor,

As you can see, I have enclosed a cheque made payable to you for \$500.00*. I value your time so much that all I request from you is 15 minutes. At the end of this short appointment, if you feel that my expertise is of no assistance to you in your financial health planning, I will sign this cheque to compensate you for your time.

Please call our office to book an appointment as soon as possible at 995-2274.

Yours truly,
Alphonso Franco, RHU, RFC.
Specialist in Financial Health Planning

*terms and conditions apply

One word of caution: You had better know exactly what you have to say in 15 minutes that will be so valuable to the physicians that they will want to deal with you and not claim the \$500.00. I make sure that the physicians I am talking to understand that, by dealing with me instead of making \$500.00, they will be saving thousands of dollars.

Physicians often work very long hours. A U.K. study showed physicians often worked from 63 to 95 hours a week. A report released by the Canadian Association of Family Physicians says that two-thirds of physicians work an average of 72 hours a week. They have also spent years of time and money to become doctors.

Physicians often have a high debt load. When they complete their training, they are over \$140,000 in debt.

A physician in the State of Texas might not have any debts, but one out of four gets sued for medical malpractice each year. For example, in Nueces County, 63% of physicians have been sued in the last 13 years for medical malpractice. A debt load might not be of concern, but the

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cost in both dollars and stress is extremely high. A physician, especially a surgeon, might pay thousands of dollars for medical malpractice coverage.

In parts of Florida, some doctors may pay more than \$200,000 for coverage. According to the Texas Department of Insurance, since 1999, seven out of 17 malpractice insurance carriers serving Texas have either gone bankrupt or left the state. Medical Liability Insurance has increased as much as 300% in some regions and for some specialists.

These are some of the reasons physicians often suffer from stress.

While marketing to physicians, I often ask the following questions (please modify according to the plans you sell and the number of conditions your company covers).

- | | | |
|---|-----|----|
| 1) Is it possible for a doctor to suffer a heart attack? | Yes | No |
| 2) Is it possible for a doctor to be diagnosed with cancer? | Yes | No |
| 3) Is it possible for a doctor to suffer a stroke? | Yes | No |
| 4) Is it possible for a doctor to be diagnosed with: | | |
| Multiple Sclerosis | Yes | No |
| Alzheimer's | Yes | No |
| Parkinson's | Yes | No |
| ALS | Yes | No |
| Benign Tumor | Yes | No |
| 5) Do you work more than 40 hours a week? | Yes | No |
| 6) Are you under stress? | Yes | No |
| 7) Would your life insurance pay you in the event you survived one of these critical illnesses? | Yes | No |

When you are marketing to a physician in Texas, what would you ask as additional questions? Any volunteers? How about you in the third row?

Questions I would ask are as follows:

- | | | |
|---|-----|----|
| 1) Do you fear being sued? | Yes | No |
| 2) Do you believe in protecting your assets from nuisance law suits? | Yes | No |
| 3) Do you know that, in Texas, Life and Critical Insurance proceeds could be tax-free and creditor-proof. | Yes | No |

Now let me show you a way that, in the event of a C.I. and for a fraction of the cost, we would pay you two million dollars in a lump-sum, tax-free payment.

What is the cost?

The cost is only a fraction of the amount of your Medical Malpractice Insurance premium (depending on age and health).

Business Owners

Here are some questions I often ask business owners:

- What is your corporate policy in the event of a heart attack, stroke or cancer?
- Your business may be able to carry on, but will it be profitable without you?
- What is your bank's lending policy for someone who has just had a heart attack, stroke or cancer?
- As a business owner, are you under stress?
- Would your stress be higher or lower after a heart attack, stroke or cancer diagnosis?
- Are you facing more or less competition in the marketplace today? Do you feel your competition would relax if you had a heart attack, stroke or cancer, or would they get even more aggressive?
- How much would your life insurance company pay you if you survived a heart attack?
- If you had a critical illness today, what would happen to your business?

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- Do you own your place of business or do you lease space? If you had a heart attack, stroke or cancer, would your lease payments be forgiven or would you still be obligated? If your lease payment is \$5,000 on a monthly basis, your liability with four years left on your lease could be up to \$240,000.
- I just can't afford it!
- Does your business accept credit cards, Mr. Businessman or Ms. Businesswoman?
- What do you pay for the privilege of accepting your client's credit cards? Visa, MasterCard, American Express ..._____
- So do you agree that you are paying approximately between a 2% and 3% fee, called the "discount rate"?
- Will this fee cause you to go out of business?
- Now, for this fee, what do you get in return?
- The credit card companies are charging you between 2% and 3% for the privilege of doing business with them.

Now, for an amount less than 3%, I can show you a way, in the event of a critical illness, that we will pay off your business loans, your house mortgage, loans, and other debts.

- Does that sound like a good business decision to you?
- The bonus with this plan is that, if you don't have a claim by the end of the policy term, I will refund all your money!
- Does this sound like a win-win business decision to you?
- In the event that you are diagnosed with one of these illnesses, what would be the amount of mortgage balance that you want protected?
- What would be the other debts that you would want paid off, such as business loans, credit card debts, lines of credit etc.?

Total needs = _____

Airline Pilots

- Long Haul Flights: Risk of skin cancer from direct sunlight.
- Pilot Fatigue: Only flight time is counted, not the time on the tarmac. Pilots routinely fly 12 to 15 hours on long-haul flights.

- Stress from the current conditions: Air Rage.
- In-flight radiation from flying transatlantic flights.

On November 8th 2000, passengers flying from Vancouver to Beijing or from New York to Tokyo had no idea that a solar storm would silently bombard them with radiation particles throughout their trip. Travelers flying at 35,000 feet were enveloped in radiation about twenty times the normal levels, according to the U.S. National Oceanic and Atmospheric Administration. This is equivalent to ten chest X-rays taken at once. This solar flare-up occurred at the peak of an eleven-year storm cycle.

Of greater concern to the aviation community is the ever-present ionizing radiation not associated with solar flares. This cosmic radiation is caused by Neutrons and Protons bouncing around the galaxy and through our atmosphere. An aircraft carries passengers higher and for longer periods of time than ever before. As a result, exposure to cosmic radiation has increased dramatically. In the 1970s, a flight from Montreal or New York to Paris would have flown at 22,000 feet. Today, an aircraft cruises at 41,000 feet. With the dose of in-flight radiation approximately doubling with every 6,000 feet of altitude, flyers on the same route today are exposed to eight times more radiation than they would have been 30 years ago.

The amount of ionizing radiation also depends on the latitude. The closer a plane flies to the North Pole, the greater the risk of exposure. This risk is now growing with the popularity of a new, shorter route from North America to Asia that takes jets directly over the North Pole, where the radiation levels run three times higher than at lower latitudes.

In 1990, the U.S. Federal Aviation Administration (FAA) classified flight crews as radiation workers (in their Advisory Circular AC 120-52, "Radiation Exposure of Air Carrier Crew members"). This group includes **X-ray technicians** and **nuclear power plant workers**.

A 45-year Canadian study showed that pilots had three times more myeloid leukemia than the general population. Myeloid leukemia is a blood cancer strongly associated with radiation exposure. This research included pilots who flew as early as 1950, before the age of high altitude flights, so it

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is possible the study underestimated the impact of radiation on the cancer rates experienced by today's pilots.

So what do I tell Pilots?

"I specialize in cancer insurance for Pilots."

"How do you do that?" they ask.

"I do that by arranging a trust between you and my insurance company that pays out a sum equivalent to two, five, and 10 times your annual compensation in one tax-free amount."

"What does it cost?"

"The cost is only 2% of your annual compensation, or 2% of the sum insured, depending on your age!"

Markets

Credit Card Debt and Mortgage Debt

Q: How much debt does the average person in the United States have?

A: 1) A 1992 Federal Reserve study showed that over 43% of U.S. families spent more than they earned.

2) 96% of all Americans will retire financially dependent on the government, family or charity. (U.S. Dept. of Health & Human Services)

Q: How many credit cards are in circulation in the United States?

A: About 1.2 billion.

Q: How many people in the United States carry a credit card?

A: There are about 195 million card-carrying Americans.

Q: How much credit card interest does the average household pay each year?

A: The average household owes approximately \$9,000 in credit card debt compared to \$3,332 ten years ago. The average U.S. household pays about \$1,100 in interest charges.

Q: What is the average number of credit cards held?

A: The average cardholder has 2.7 bank credit cards, 3.8 retail credit cards, and 1.1 debit cards, for a total of 7.6 cards per cardholder.

Q: How much did Americans charge to their bank credit cards during 2002?

A: \$1.4 trillion.

Q: What was the average credit line ten years ago compared to today?

A: In 1992 average credit lines were approximately \$1,800. Today they average about \$3,500.

Q: What percentage of consumer spending is currently made on credit cards?

A: About 18% of all U.S. personal consumption expenditures are made on bank credit cards. If retail credit cards and debit cards are included, the figure rises to 24%. By 2006, about 30% of U.S. PCE will be on credit and debit cards combined.

- The average interest rate on credit cards is 18.9%.
- Last year the credit card industry took in \$43 billion in card fees.
- Nine of 10 Americans claim credit card debt has never been a source of worry.
- The personal savings rate in the United States has dropped from 8% in the 1980s to just under 2% since 2000.
- Medical debts sink the ship in one of every 20 bankruptcies.
- Typical health care debts: \$25,000.
- Typical victim: a senior on a fixed income.
- Typical scenario: pricey prescriptions bought on high-interest credit cards.

The ratio of household debt to disposable income reached a record of 108.3% at the end of 2003.¹

If the household debt continues to grow at the same rate in the next presidential administration as it has since 2000, it will reach 152.0% of disposable income by the end of 2009.¹

¹ Dangerous Trends: The Growth of Debt in the U.S. Economy by Dean Baker, September 7, 2004

Overall household debt has grown by about 9 to 10% each year since the 2001 recession.²

²Flow of Funds Accounts of the United States, statistical release, Federal Reserve, June 10, 2004

Today, debt held by households is equal to 80% of the gross domestic product, compared to just 50% in 1980.

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Savings as a share of disposable income averaged more than 10% at the beginning of the eighties. It declined to less than 5% by the middle of the nineties, and has averaged just over 2% in the last five years.³

³*Dangerous Trends: The Growth of Debt in the U.S. Economy* by Dean Baker, September 7, 2004

If mortgage interest rates rise by an average of 1.5 percentage points on 40% of existing mortgage debt, this would also raise the financial obligations ratio by approximately 0.5 percentage points.

In short, the virtually inevitable increase in interest rates will push debt service obligations to new records, even if households stop increasing their debt-to-income ratios.⁴

⁴*Dangerous Trends: The Growth of Debt in the U.S. Economy* by Dean Baker, September 7, 2004

Since 1995, house prices have increased by more than 35% in real terms.⁵

⁵*Dangerous Trends: The Growth of Debt in the U.S. Economy* by Dean Baker, September 7, 2004

Mortgage debt alone has increased by about 12% in each of the past two years.

For those in the 55 to 64 year age range, the number of families with outstanding mortgage debt has doubled since 1989 and now represents about half of all near-retirees.⁶

⁶ *Survey of Consumer Finances*, Federal Reserve Board

Adding to housing debt loads are record levels of mortgage refinancing activity, spurred by lower interest rates and the appreciation of housing values. Between 2001 and 2003, families extracted a record \$333 billion in cash from their homes, stimulating the economy and allowing households to renovate their homes, pay down higher interest credit card debt, or simply acquire extra spending money.

But refinancing and additional mortgage borrowing has increased both the size and length of loans for homeowners who refinance, especially for those who take out cash. The Federal Reserve found that 45% of homeowners who refinanced had liquified some home equity, resulting in a higher monthly payment for 40% of them and a longer loan life for 80%.

Average student loan debt increased 35% in real dollars between 1997 and 2002.⁷

⁷Sandy Baum and Marie O'Malley, "College on Credit: How Borrowers Perceive Their Education Debt - Results of the 2002 National Student Loan Survey", February 6, 2003

And average auto loans have risen 34% in real dollars since 1995, to \$26,295 in 2003.⁸

⁸*Consumer Credit*, June 7, 2004

Marketing to Religious Groups

Judaism and Christianity

In the Judeo-Christian faiths, the basis of insurance is clearly spelt out:

In the book of Genesis, Joseph is asked to interpret the Pharaoh's dream, whereupon Joseph says that God is giving advance notice of events to come. He states that, for seven years, Egypt will enjoy a period of prosperity and advises Pharaoh to store extra grain from that period because the next seven years will bring a severe famine.

Proverbs: "A prudent person foresees the difficulties ahead and prepares for them; the simpleton goes blindly on and suffers the consequences."

A wise person builds a house on a rock foundation. An unwise person would build a house on a sand foundation ...when a storm, rain or floods come, a house built on a rock foundation will survive.

In the New Testament early Christians came together joining their valuables into a common pot. In times of need, people were able to use what was needed from that common pot.

Story of the Ten Bridesmaids: Five were wise and filled their lamps with oil; the other five thought they still had time to do it later. When the bridegroom came, the five wise ones proceeded to the feast; the unprepared ones were left out.

After all of this, if people say, "God will look after me."

Then my only answer is, "Who do you think sent me here!"

Islam

The concept of providing for the future and for your family is an important principle.

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- 1) Nikah: Mohr or Mehr
- 2) Bakr-id: During this feast the animal that is sacrificed is divided into three parts. One portion for you, one portion for your family and friends, one portion for people in need. (One of Islam's five pillars is Charity: "What you give comes back to you a hundredfold.")
- 3) Duty: to provide for family. The present generation is responsible for the previous and the next generation.

Buddhism

Buddhism is logic.

To quote Gauthama Siddhartha, also known as the Buddha, the Enlightened One, "In the same way that rain breaks into a house with a bad roof, disaster breaks into the mind that has not prepared."

"Attention leads to immortality, carelessness leads to death. Those who pay attention will not die, while the careless are as good as dead already."

Hinduism

Salvation, also known as Moksha, is the final liberation from the cycle of birth and death. People of this religion believe that the soul repeatedly goes through a cycle of birth, death and rebirth. Salvation is attained by breaking the cycle of rebirth. Karma dictates when that will happen. Hindus believe that your actions today insure how you are going to come back in your next life. For those of you who do not know what Karma is: Karma is a force that determines the quality of each life, depending on how well one has behaved in a past life.

Ismaili

In this faith, followers of the Aga Khan give between 10% and 25% of their income to the Aga Khan Foundation. This principle is called "Dosund." In times of need, monies are advanced to contributors.

You see, Ladies and Gentlemen, no matter what faith you believe in, planning for the future is paramount. The New Testament states that, "Faith is hope in things unseen." That is what insurance is: you insure yourself

today when you don't need it, having faith that it will be there when you need it the most.

7. Advertising and Branding

The most effective strategy for advertising is the one that brings the most business to you.

Does any one here know what companies call advertising that does not work right away?

Branding

Branding is the art of making people remember you or your company long after they have been exposed to your advertising message.

For example, in parts of Asia, photocopying is generally not referred to as photocopying, but as Xeroxing.

Generally, in England vacuuming is not referred to as vacuuming, but as Hoovering.

Different concepts of advertising and branding

At first, use low cost but highly effective methods. You could buy a television ad for \$5,000 or \$20,000 per spot, or you could get television or radio time for free by using a press release or by offering a point of view on a current hot topic.

Media people want to know what point of interest or news you will bring to their show that will make it a popular show. Cultivate media contacts in various forms. Let me give you an example. In my country, the Federal Government of Canada in January 2004 introduced a program called "compassionate care" that gave federal government employees time off to care for an ailing relative.

My thoughts, which I shared with both print and radio news media, were something like this:

It is great the federal government has just come out with this program. Let me tell you about another program that is available to all Canadians that will pay out an illness benefit to people while they are alive, which in turn can also pay for their care.

Our program is called "Financial Care for all Canadians," also known as "Critical Illness Insurance." It is also available to all federal employees, as well as their dependants.

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Its costs can be as low as a dollar a day or a cup of coffee. It is not adjudicated by the federal government, and it is paid as a tax-free, lump-sum payment for you to use as you wish.

Which would you rather have: an appetizer or a banquet dinner?

People do not remember what products you sell! They remember how special you made them feel when they came to see you. The care you showed, the concerns expressed, the solutions arrived upon are all important. No matter how much money you have set aside to advertise, I would suggest you start small and then spend a percentage on what you do as opposed to a product. Remember your clients need to know what time it is, not how the clock works.

Low cost advertising: flyers, mail campaigns and newspaper advertising will work in small and medium size markets. Buses, billboard advertising and trade shows are other forms that we have found successful in marketing this product.

8. How to double your income in the next twelve months

How many people here are interested in doubling their income? Here is what I suggest. I want you to refer to the next forty days as the next forty days of purpose.

Write down your goals for what you want to achieve financially!

Start by going back to every existing client on your books, with a purpose to see them. Tell them that you attended a session at the Million Dollar Round Table and that a speaker named Alphonso Franco asked you, the agent or producer, to see every one of your clients and to advise them of your duty as a financial advisor to talk about Critical Illness Insurance. If, after hearing you, they do not want to be protected, get them to sign a "no" letter.

Dear...(agent/producer)

Thank you for making me aware of the fact that Critical Illness Insurance is now available to me. You have shared with me some pertinent statistics related to the increasing rates of cancer, heart attacks and strokes. However, I have chosen not to be covered for these or any other illnesses provided for under the plan we discussed.

I will not hold you or Trenton Financial and Insurance Services, financially or legally responsible for my not having this insurance in place. Having made this decision, I also instruct my family, solicitor and partner to take no legal action against you should I be diagnosed with any of the covered critical illnesses following our discussion.

I acknowledge that I was informed of all aspects of Critical Illness Insurance, these plans and their coverage. I have received the brochures from companies X, Y and Z. I also acknowledge that I have decided against purchasing this protection.

(Prospect name in print and signature)

(Date)

cc Lawyer
cc Spouse
cc Accountant

Spend the time necessary, even on clients that cannot qualify for C.I., asking them for referrals. This would give you a reason to call every one of your clients.

Next, start calling on all your suppliers. Tell them the speaker named Alphonso Franco, at the Million Dollar Round Table, asked you to see every supplier and tell them that it is your duty and requirement to disclose to them their legal right to protect themselves from financial ruin in the event of a critical illness.

Next, go to employers and associations in your area and ask them what kind of "EAP" (Employee Assistance Program) they have in place. Generally, no one will know what you are talking about or, if they do, it will be a program involving counseling costs, with charges of up to a maximum of a few hundred dollars.

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You can tell them you have a plan that covers employees on a Comprehensive Employee Assistance Program that will pay a lump sum of tax-free dollars in the event of a critical illness. Which would you rather have: a few hundred dollars of counseling after cancer or a few hundred thousand dollars to pay off your mortgage and other debts and make a lifestyle change?

Over the next 40 days, take my challenge and see two people on a daily basis in each of the categories discussed above. Now repeat this procedure over a twelve-month period. Not only will you double your income, but you could very well be on your way to TOT.

Remember that over the next 40 days—except for family and faith—your desire to protect your clients and double your income has to become paramount, and you will have to stay the course until you succeed.

What is the significance of 40 days?

I want to tackle this from a faith perspective. In the Old Testament, Noah's life was transformed by forty days of rain. Moses' life was transformed by forty days on Mount Sinai. David was transformed by Goliath's forty-day challenge.

In the New Testament, Jesus spent forty days in the desert before his ministry began. His disciples were transformed by spending forty days with Him after His resurrection.

In Islam, according to the prophet Muhammad, in a hadeeth, He said, "In every one of you, all components of your creation are gathered together in your mothers' womb by 40 days".

In Hinduism, certain sects start their religious feasts with a strict observance of a forty-day regimen to purify themselves.

In Buddhism, Gautama Siddhartha sat under a tree for forty days until he attained "nirvana" or enlightenment. From then on, he called himself "Buddha" or "The Enlightened One".

If forty days of intense work seems unreasonable to you, don't worry.

George Bernard Shaw once said: "The reasonable man adapts himself to the world; the unreasonable one persists

in trying to adapt the world to himself. Therefore all progress depends upon the unreasonable man." So be a little unreasonable, but persist in what you do.

The value that you bring to your clients can be summarized in this poem by Myra Brooks Welch, "The Touch of the Master's Hand".

'Twas battered and scarred, and the auctioneer
Thought it scarcely worth his while
To waste his time on the old violin,
But he held it up with a smile.
"What am I bidden, good folks?" he cried.
"Who'll start the bidding for me?
A dollar, a dollar—now who'll make it two?
Two dollars, and who'll make it three?!"

Three dollars once, three dollars twice,
Going for three"... but no!
From the back of the room a gray-haired man
Came forward and picked up the bow.
And wiping the dust from the old violin,
And tightening the loose strings,
He played a melody pure and sweet
As sweet as an angel sings.
The music ceased, and the auctioneer
With a voice that was quiet and low,
Said, "What am I bidden for the old violin?"
As he held it up with the bow.
"One thousand dollars, and who'll make it two?
Two thousand dollars, and three !
Three thousand, once. And three thousand, twice.
And going, and going, and gone!" said he.

The people cheered, but some of them cried,
"We don't quite understand.
What changed its worth?" Swift came the reply,
" 'Twas the touch of the Master's hand."
And many a man with life out of tune
And battered and scarred with sin,
Is auctioned cheap to the thoughtless crowd
Much like the old violin.

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A mess of pottage, a glass of wine.
A game, and he travels on.
He's going once, and going twice.
And going, and almost gone.
But the Master comes, and the foolish crowd
Never can quite understand
The worth of a soul, and the change that is wrought,
By the touch of the Master's hand.

You see ladies and gentlemen, for the short time I have been speaking to you, just to give you an example: 188 Americans have been diagnosed with cancer; 188 Americans have suffered a heart attack; and 94 Americans have suffered a stroke. And the same can be said about Canadians, Britons, Australians, in fact, people from every country around the world. The sad part is that very few, if any, will have owned Critical Illness Insurance. You are the musicians. Everything now depends on how you play!

Thank you for letting me share my passion for Critical Illness Insurance with you.