

The best way to handle an objection is to never get it in the first place. If you carefully follow the presentation script, you will eliminate most objections before they even come up. But there may still be times when you get an objection or two. The good news is that objections are buying signals. When a client throws up an objection what they are really saying is "I know I need this, but I prefer to procrastinate and put this off as long as possible. Please help me get out of my own way!" Our job is to skillfully learn how to take an objection and turn it into a sale. In time, you will learn to handle objections with ease, but you must practice and role play until it becomes second nature to you.

KEYS TO OVERCOMING AN OBJECTION

1. Acknowledge or agree with the objection immediately (validate the client's concern.) Until you do this, the client will not hear or accept your explanation. Remember, if you want the client to really hear and believe what you have to say, you must show respect for them and validate their concerns.
2. Take them back around. Get back to the idea you're trying to communicate. Go back to a step in the presentation that relates to the objection and re-educate the client on that subject. At this point, it is imperative that you maintain control of the conversation without imposing control. If you are successful at redirecting the objection back into the conversation, the client will follow your lead and continue on.
3. Move to the close. DO NOT just answer and pause or stop. The client does not know the next step... they are waiting for you to lead them there. Pull out the application and start filling it out beginning with the information you already know (D.O.B., address, etc.) and then ask for their Social Security Number and assume the close. Once they give you that, they are committed.

Summary: Be attentive to the client's needs and any concerns, but stay in control! Remember, you are the professional! The client needs you to take them by the hand and lead them to the right place. That is why you are there. Stay in control of the conversation and the direction it is going, while maintaining respect for the client and his or her concerns.

OBJECTIONS AND RESPONSES

1. **"This is too expensive."**

"I can sympathize with that. Obviously, this was important to you when you were filling it out. You know your budget better than anyone else and you obviously see the value in protecting your HOME for your FAMILY. So tell me (sir or ma'am), how much do you want to set aside in your budget each month to protect your HOME for your FAMILY. In short, how much is their safety and your peace of mind worth to you? What will fit comfortably into your budget?"

(continued)



2. **“I just wanted disability coverage.”**

Go to the “Ground Floor” concept. Learn to tell the story. It works like a charm.

3. **“I’m just shopping.”**

Compliment them on this, and tell them they should shop around. Then ask them what their "shopping criteria" is. Your goal here is to teach them that they will get what they pay for. Keep in mind the Yugo concept (shopping for a car... is it a Mercedes or a Yugo? Big difference in features, benefits and cost; even though both may be able to get you to a destination). Go on to tell them who you are, how many companies you shop through and represent as a professional, and what an "expert shopper " you have to be for your clients, including them. *Refer to paragraph 4 of the Presentation Script.

4. **“I want to talk it over with my spouse.”**

Relate to them personally here with a "significant other" story of your own. Example: "When my wife comes home tonight and I tell her that I have just purchased a policy that will pay off this mortgage, or that of any future home, and leave it to her free and clear in the event I pass away before she does. That I don't want her to have to ever worry about the home and that is how I want her and everyone else to remember me (legacy concept), I'm guessing she will be pretty happy.“
“What do you think (sir or ma'am)?”

5. **“I need to think about it.”**

“Great, I don’t think you should rush into anything either. How long do you expect to need to think about it?”

[Note: No one is going to say more than 4 weeks, so whatever the client says, you simply say...]

“Perfect! What I’m going to do for you is what I do for everyone in this situation, and that is to get you pre-qualified, underwritten and approved. There is no obligation on your part to do that, and the process will take anywhere from 2 to 5 weeks, which is perfect with the amount of time that you want to think about it. And as an added benefit, you will actually be covered for free during this time period, so if heaven forbid something were to happen to you while you are “thinking about it,” we will have you covered. So what I’m going to do is just get your basic information down. Most of it you have already provided right here...”

[Pull out the lead and the application and start filling it out. Don’t worry about whether or not they have chosen “money back” or “no money back” at this point. That’s a question you will pose to them after they’ve signed the application. If you’re going to get an objection in this process, it will be when you turn the application around to them after you’ve filled it out and ask for their signature.]

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6. “Is this Life Insurance?”

When you hear this, you need to anticipate that they already have coverage. Compliment them on the fact they are following along perfectly. Address them positively and bring them back around to paragraph 3 of the presentation -- FAB (Feature, Advantages, Benefits,) the new way of doing things and why everyone does it this way now.

“You’re following along perfectly! Anytime we talk about “if you die someone else will get money,” there is always a life insurance company floating around down there somewhere in the mix of things, regardless of what it’s called. In this case, we are using a life insurance company as the vehicle to get you to your destination (mortgage protection). This is the new way that everyone does it nowadays. By doing it this way you can eliminate the middle man (the lender,) thus putting you in control of your coverage which makes it transferable, guaranteed, and gives you the option to get your money back as well. But why do you ask? Do you currently carry life insurance in some fashion?”

They will say yes 95+% of the time. This is where your presentation must be strong. You need to understand how to explain the difference between *Income Replacement* and *Mortgage Protection*.

You follow up the question with “Great! Who do you have it through?”

Coverage will either be with the following:

- a. Work (80% of the time)
 - b. Accidental plan through bank, credit card, etc... (5% of the time)
 - c. A private policy through another agent (15% of the time)
- a) Work plan: Once you find out it’s a plan through work you need to compliment them (only criticize it as a last ditch effort) on their coverage and explain that in most homes you visit you end up writing 2 policies... one for mortgage protection and one for income replacement.

“Since you are already one step ahead of the game with the current income replacement coverage you have in place, all we need to take care of today is the mortgage protection. Do you want money back or no money back with this plan?” (Close #1)

Some will buy at this point and some won’t. If you get the objection (or stall tactic) that they want to review/look over their work plan, then you need to break down their current situation. Because we have the lead we know their occupation and age. Take out a scratch paper and start crunching numbers in “Ball Park” terms. Estimate their annual income from their occupation. Then, figure out how many more working years they have left by taking their age and subtracting it from age 65-70 which is the common retirement age. Figure out how much planned income they will be bringing in over that period of time (i.e. annual income x years to age 70) and then compare it to the coverage they have. 99% of the time they are vastly underinsured.

Example: 40 year old truck driver making \$50k per year



“\$50K x 25 years of working until retirement = \$1,250,000 of income earning potential *assuming you never get a pay raise again* (not likely).” Use this to your advantage. They should be able to see how their \$100K work plan or 3x income replacement work plan won’t even begin to fit the bill.

Then ask: “Now if you were told tomorrow that here is \$\$ (however much they have already in coverage) dollars and you’re now permanently retired forever, would you be able to survive on that and live the life you are accustomed to living?”

Likely the answer is NO! (They must understand this before you move on)

Then follow up with: “Do you understand how what you have now doesn’t even come close to properly covering the family? YES..., which is why we’re going to get your mortgage protection plan in force. Did you want money back or no money back?” (Close #2)

Most will buy at this point but some still won’t buy or might say “Well, I’ll just increase my coverage at work.”

This is the time where you beat down the work plan. “It leaves you when you leave.” Point out the many loop holes and flaws in most work plans. “Likely your boss obtained this coverage and he likely knows little about life insurance plans. Can you guarantee you’ll be with them forever?” Talk about what happens years down the road when they’re left to re- apply for new coverage -- older age/higher cost. And with economic changes, their company can’t even guarantee they will be around. “You’re depending on so many variable factors for the protection of your family rather than guaranteeing it, which is what I am here to do.”

- b) Accidental plan: This is the easiest plan to steamroll and overcome. Simply explain 95% of accidental claims don’t pay out because most people do not die in accidents... and just like in life “you get what you pay for.” Ask them why you didn’t see a Yugo in their drive way – It’s the cheapest... but it’s a hunk of metal... use the analogy to get their attention and educate them about insurance!
- c) A private policy with another agent: How much coverage? Find out when they got it and how many years are left. If they got it 5 years ago and it’s a 15 year term then it’s really a 10 year term plan now. Explain how a plan is needed to cover until retirement and the negatives about trying to get coverage once their 10 year plan expires. We need coverage nowadays for “if” we die not “when” we die. “When you’re retired, in an ideal world all your liabilities will have liquidated to assets and you won’t have a need to pay more premiums for coverage.”

You never want to lead the conversation in a direction that will make them defensive, that’s why we only want to attack their existing policy when justified, and only as a last resort. Remember, they let you in to go over mortgage protection not life insurance. They don’t want a life insurance agent in their home.

