

Module 1 – What every insurance agent should know and possess to be successful

Chapter One: Introduction

Points to be discussed:

- **What does it mean to sell Life insurance?**
- **The need for Life insurance among people**
- **Self Assessment Test: Are you fit to be a Life insurance agent?**

So, you think you are well suited for a career selling Life insurance, and you are all fired up and cannot wait to sell your first policy. However, there is a list of things that you should know before you make that leap.

This chapter serves as an introduction in the guide to being a successful Life insurance agent. If your interest in this career choice has brought you here, you probably have an idea about what the Top-Notch insurance agents in this industry make as their income. That could be YOU!

However, the road to that process is not that simple and easy. It is not something impossible. However, it does require some effort as well as some forethought and planning. A perfect combination of smart work coupled with hard work can lead you to an extremely successful and rewarding LIFE insurance career.

For this to happen, it is essential to understand what it takes to get there, dedication, determination and perseverance,

If you are traveling to a specific destination, simply getting up and moving aimlessly won't get you anywhere. Even if it does get you somewhere chances are you will not end up at your desired location, moreover you will have wasted precious time and energy in your pursuit.

However, if you have a road map and GPS, imagine how easier and faster it would be to get there. Now consider that you have rocket shoes instead of plain boots. What about it now? How much time would it save you?

Similarly, our tutorials guide you so you understand the direction in which you need to go. The tips and tricks that are presented in our modules work as those rocket shoes. You just need to put them on and woah! There you go.

So have a little patience and go through our modules. Any chapter, any line, and any phrase could contain something so important that could turn the tables on the sales that you make.

What does it mean to sell insurance?

Before beginning to comprehend how you are going to sell insurance, how you are going to be a millionaire, or how to close each deal you make, you first need to get a grip around the question: What does it mean to sell insurance?

There are countless Life insurance agents that go out into the field every day aimlessly to visit prospects, they work hard and the end of the day end up with a long list of rejections that sound like “well, let me think about it” or “I’ll get back to you” or even simply “I am not interested.” Why does this happen?

It is not that these insurance agents aren’t knowledgeable about their products or because even lack of effort. Life insurance is a commodity, all agents essentially have access to several of the same carriers and products with the same or similar rates. So why do some agents excel and others falter? Why do some agents struggle mightily while others reap the rewards that we often read about?

In every single agent to prospect interaction there is a sale. Either you sell the prospect on the need for life insurance or the prospect sells you on the reason he /she does not need it.

So, with like carriers and like products, and both sets of agents, the ones who thrive and the ones who barely survive, what is the difference?

It is simple, the difference is the agent. The agents who often falter are selling Life insurance, a commodity that you can buy over the phone or internet these days. So why bother with a pushy salesman in person, right?

The agents who thrive are selling themselves, they are selling “likeability”. Their product is not Life insurance, their product is “peace of mind.” Their product makes the product feel comfortable knowing that in the event of death, their spouse and loved one will not have to carry a financial burden along with the emotional burden that we experience when a loved one dies.

When a person purchases insurance, they do not have something tangible, something bright and shiny that they can show off to their peers

Therefore, if you want a consumer to buy a product that is not tangible such as Life insurance, you need to get them to realize and understand not the product, but the features and benefits the product allow them to have.

Think of it this way, when person purchases a Lamborghini what are they essentially purchasing? Not just a car, if they wanted “just a car” they could get one for far less expensive. When a person purchases a Lamborghini, they are essentially purchasing speed. The car is the product, the main feature is the engine, and the benefit is that you get to go fast. The kind of fast that you cannot go if you were to purchase just any car.

Hence, our first mission in the module goes to understanding what it means to sell Life insurance?

Let us consider this with the help of a story:

There are two families who live side by side: The Adams and the Johns. Each family are made up of a loving couple and their two children. These families live side by side in adjoining houses in a decent suburban area of Niceville. The both men in the families have good jobs for the same software company and both wives work taking care of the kids and maintaining their households.

One day, two separate insurance agents visited the houses of Mr. Adams and Mr Johns.

First the Insurance agent visits the house of the Adams. The agent explains the policy options for a \$100,000 insurance policy that is available for to Mr Adams. Mr Adams gives the agent a few minutes and dismisses the policy as simply a money-making scam. He tells the insurance agent that he is not interested and shows him the way out.

The other insurance agent walks up to the house of the Johns, which is simply next door. The agent tells Mr. Johns the policy options after explaining to him the various features of the policy and emphasizing the benefits of these features.

Mr Johns listens to what the insurance agent is saying, and gives the policy some thought. After considering the pros and cons, Mr John signs up for the policy.

Life continues on merrily for the two families. The birds are chirping and the gentle breeze blows in the lovely Niceville weather.

However, one day, fate takes its turn and an unfortunate event takes place. When Mr Adams and Mr Johns are on their way to work, their car meets up with an accident and sadly the two men are unable to survive it.

Both families are devastated with the incident, both financially as well as emotionally. They are grief stricken and the women wonder what to do.

Here is where the priceless difference in the two men's decisions become significant. Remember the insurance policy that Mr John signed up for? Mrs John remembers it well and contacts her insurance agent as the beneficiary to receive the death benefit to help with burial and living expenses, such as the mortgage payment, car payment etc.

As Mr. Adams dismissed the policy as simply just another stupid thing, his wife and children are forced to sell the house. Mrs. Adams had to depend on church donations for enough funds to bury her husband. Due, to having to sell their home, and moving to another town, her children can no longer attend the same school.

They move to a 'not so decent' neighbourhood and Mrs Adams takes up odd jobs to fulfil the financial void that the passing of her husband has created in their life.

Due to the vast lifestyle gap, the two families hardly interact with each other. The children of Mrs John get to go to great schools and get the best education. Due to this good education, they are able to get

decent jobs. The children of Mrs Adams forego college due to lack of money and the necessity to support the family.

Though both families wish that the accident wouldn't have taken place, Mrs Johns thanks God each day that at least her husband was sensible enough to buy such a policy for their family. Mrs Adams spends each day wishing that his husband would have as well.

This story encompasses the great responsibility one has as an insurance agent. It is not your job to sell policies. It is your duty to protect families. It should be your mission to help every family you encounter avoid the fate of the Adams family. What the insurance agents offered to the families that day wasn't just another policy. It wasn't just any commodity that is being sold and bought in the market.

The insurance policy was a life saver. It was like a lifeboat on a ship. No one can predict what can happen. This creates the possibilities of any unfortunate and unforeseen events taking place. Therefore, it is a good idea to be prepared for these events. And an insurance policy helps in delivering that promise.

Therefore, when you are selling an insurance policy to a client, you need to realize what is in your hand. It is not just any other paper. It is something that will greatly benefit the individuals that you are selling it to. If you do not realize this fact, how can you make your clients realize the same?

Hence, before you begin your journey as an insurance agent and set out on your path in this career field you should realize the significance and the power of difference that you can make in people's lives.

Imagine yourself to be Mr Adam and re read the entire scenario considering you to be a part of the story. What do you feel?

When you have done that, imagine yourself to be Mr John and re read the entire scenario considering yourself to be a part of the story. What do you feel?

Now, imagine yourself to be the insurance agent that visited these the Johns and Adams families. The policy that Mr Adam didn't buy and Mrs Adam wished he had bought, and the very same policy that was signed by Mr John and for which Mrs John thanks him every day.

You will realize a pride and joy that you could help at least one family with handling their grief in a secure and stable way. At the same time, you would wish that you would have been able to convince Mr Adam to do the same.

Therefore, being an insurance agent enables you to have a positive and lasting impact on peoples lives. You need to realize the power that resides in you, and make sure that you use it to the full potential. Don't consider the policies as just a product that you are selling. Instead, they are lifeboats to a ship. In case of an unfortunate event occurs, this lifeboat will be able to save precious lives. And the cost of the lifeboat is negligible when compared to the cost of the lives that it can save.

Why do people buy insurance?

Why do people buy insurance? It is not a one word answer, or even a one line answer. It is a question with countless viable answers.

Various people buy insurance for various reasons. For some people, insurance is the logically secure way to go. Whereas, there are some people who feel emotionally secure when they buy insurance. For some people, insurance could be a necessary thing due to the legal laws that mandate for a person to have a certain type of insurance.

Therefore, before understanding how to sell insurance, you need to understand why would someone need insurance in the first place? Understanding this simple fact gives you an idea of why there is a market for product and why the customers actually need the product.

Security is a primary concern of an individual, be it financial security, physical security, or an emotional security. As the day by day life goes on, there are various events that carry on a risk with them that can harm the security of an individual.

For example, if you are driving to work in your car, you can get into an accident at any time despite you being a completely safe driver. It is not something you have in your control as external factors and other individuals play a role in it as well. Therefore, there is a risk involved.

So how can you manage the risk involved with such events that you cannot foresee?

1. **Avoiding the risk:**

The foremost way to follow the approach is to avoid that risk totally or partly. For example, you could rather not buy a car and choose another safer way for your commute like a public transport which would nullify the risk for a car accident. Or you could work within walking distance to your home. However, risk avoidance cannot be done in every situation.

2. **Controlling the Loss:**

Controlling the loss is the second method of managing the present risk. It means that you reduce the chances in which the risk actually becomes an accident, as well as you reduce the severity with which that accident affects you when it happens. It is like putting the seat belt on when you drive. You are still driving the car, but you have minimized the severity of the risk.

3. **Retention of risk:**

Retention of risk is the third step of handling the associated risk. It means that you have something saved up in your pocket that you can use in the case of the risk turning to an accident. For example, in case you get into a car accident and face some injuries, you can use the saved up money for your medical bills, or perhaps paying for the claim filed by the person you had an accident with.

4. **Transfer of risk:**

This is the best method used for handling financial losses. It generally means that you transfer the risk to a third party which pays for the amount that is incurred in the risk. For example: INSURANCE.

Suppose you get into a car accident and you have to pay for a lot of amount to get your car fixed and to pay for the physical damages you suffered. **We all know how expensive this can be.** Now imagine a third party is ready to pay for all these damages. How good would that be?

That is the primary purpose of all types of insurance, and this is the logic most people follow when considering purchasing insurance.

Since most often there is no way in which you can avoid risk or even have a premonition about where it is going to come from, the transfer of risk tends to be the best method. For example: If you are driving a car, there is a risk of a car accident. If you let go of the car and travel by foot, there is still a chance that you could get involved in an accident. If the office is right outside of your home and there is no chance of a road accident, there is still a possibility of you being hurt in a work injury. And if all that is well too, there is always a chance that your health could get worse without any foreseen sickness (which happens very often in today's environment).

Now imagine if you had a plan that could pay for "loss of life" due to any of these factors. Viola! This is what Life insurance is all about. And this is the exact reason people get it: to transfer risk.

When you are selling insurance, it would benefit you to keep this in mind. Everyone needs Life insurance because everyone is going to die, everyone has a family they will leave behind and everyone has some level of expenses that will remain after they are gone. Life insurance will minimize the financially burden while they deal with the emotional burden. What you must do as an insurance agent is help them see the necessity of life insurance.

SELF ASSESSMENT TEST: Are you fit to be an Insurance Agent?

As there might be a debate in your head if 'helping people realize' that they need insurance is something that would be suitable for you (and if you would be suitable for it), you can take this self assessment test to know if you can do it. Even if you are confident that you can do it, taking this test might help in acknowledging where you lack and improving upon those qualities.

Instructions for the test:

Keep a pen and paper ready at hand

For every question, there are five answers. Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), and Strongly Disagree (SD).

These ratings imply if the statement suits you (or not), and the extent to which it suits you (or not). Since this is a self assessment test, you should answer the questions in all honesty. Once you have answered these 15 questions, you can use the assessment score distinctions that follow up to analyse where you lie.

Questions

1. I feel like I have an obligation to fulfil all my tasks for the day before I end my shift at the office.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

2. I have a small attention span and I can be distracted by tiny details and lose track of the larger picture.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

3. I find it hard to hand out my tasks to my juniors, because I feel like I handle my tasks in the best manner possible and no one would be as good as me on these tasks.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

4. I would rather have a job which pays on commission and has a higher chance of making huge money, than a stable fixed salary job with security but less growth.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

5. I am someone people (including family and friends) turn to in times of needs.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

6. I have problem solving personality and I love to solve riddles after analysing them nicely.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

7. I often listen from people that I have a risk taking personality in life.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

8. The people who are important to me fully support my interests and aspirations in life.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

9. I don't mind working under pressure. In fact, I give best outputs when I am under pressure.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

10. I am good at motivating myself.

- Strongly Agree
- Agree
- Neutral
- Disagree

- Strongly Disagree

11. I have confidence in myself and I do not mind speaking in front of an audience.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

12. I cannot handle rejection well. I have trouble at handling rejection

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

13. I don't mind doing late nighters when it means finishing up my tasks for the day.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

14. I love social gatherings. I am very social kind of person and love talking to people.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

15. I always keep a smile upon my face and a positive attitude in my heart. I am a very positive person.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Take your time and mark the answer to each question (though I do not think you would need much time). Make honesty your priority to get correct results. Assess your results from the score distinction as follows:

1. I feel like I have an obligation to fulfil all my tasks for the day before I end my shift at the office.
Mark SA as 10, A as 8, N as 6, D as 4, and SD as 2.
2. I have a small attention span and I can be distracted by tiny details and lose track of the larger picture.
Mark SA as 1, A as 2, N as 3, D as 4, and SD as 5.
3. I find it hard to hand out my tasks to my juniors, because I feel like I handle my tasks in the best manner possible and no one would be as good as me on these tasks.
Mark SA as 1, A as 2, N as 3, D as 4, and SD as 5.
4. I would rather have a job which pays on commission and has a higher chance of making huge money, than a stable fixed salary job with security but less growth.
Mark SA as 15, A as 12, N as 8, D as 6, and SD as 3.
5. I am someone people (including family and friends) turn to in times of needs.
Mark SA as 5, A as 4, N as 3, D as 2, and SD as 1.
6. I have problem solving personality and I love to solve riddles after analysing them nicely.
Mark SA as 15, A as 12, N as 8, D as 6, and SD as 3.
7. I often listen from people that I have a risk taking personality in life.
Mark SA as 10, A as 8, N as 6, D as 4, and SD as 2.
8. The people who are important to me fully support my interests and aspirations in life.
Mark SA as 10, A as 8, N as 6, D as 4, and SD as 2.
9. I don't mind working under pressure. In fact, I give best outputs when I am under pressure.
Mark SA as 5, A as 4, N as 3, D as 2, and SD as 1.
10. I am good at motivating myself.
Mark SA as 15, A as 12, N as 8, D as 6, and SD as 3.
11. I have confidence in myself and I do not mind speaking in front of an audience.
Mark SA as 10, A as 8, N as 6, D as 4, and SD as 2.
12. I cannot handle rejection well. I have trouble at handling rejection.

Mark SA as 2, A as 4, N as 6, D as 8, and SD as 10.

13. I don't mind doing late nighters when it means finishing up my tasks for the day

Mark SA as 5, A as 4, N as 3, D as 2, and SD as 1.

14. I love social gatherings. I am very social kind of person and love talking to people.

Mark SA as 15, A as 12, N as 8, D as 6, and SD as 3.

15. I always keep a smile upon my face and a positive attitude in my heart. I am a very positive person.

Mark SA as 10, A as 8, N as 6, D as 4, and SD as 2.

The score assessment:

Now that you have a total of your score, you can refer to these details accordingly to where your score falls. Read what your score says about your fitness for the role of an insurance agent:

Score of more than 120:

You are ready to sell, my friend. You have all the personality that is required from an insurance agent. Just let us polish your skills and teach you the tricks of the trade, and you will be selling insurance like hot cakes.

You could be a very successful insurance agent in no time. You have the skill and you have the drive. You have what it takes to sell insurance like a pro.

However, you are smart enough to know that there is no 'perfection' in the field. There are countless tricks and tips to be learned along the way that you could use in the field. So follow the module to utilize the tricks and tips in your general sales practice and no one would turn their doors on you (and even if they do, you would be persistent enough to try harder next time).

Score of 110 to 119:

You have qualities in you that are required to be an insurance agent. You have an entrepreneurial drive to match those qualities. You are a great person to sell insurance. However, there might be slight areas in which you could improve.

Read your answers and check the areas in which you score lower. Create a plan to overcome those weaknesses in those areas. Or perhaps you have the skill as well as drive, but those two might not be aligned right.

Spend some time in self analysis. Take the answers in which you scored low in this test as points to ponder over. Realize what you can do to overcome them and strengthen your weaknesses.

Score of 94 to 109:

You need a good amount of training to be a successful insurance agent. No one says you cannot do it. In fact, you might be able to do it better than the others. However, you are currently walking in a different direction, and as such it would take more out of you.

Therefore, you should get your mind set in the right direction. Thoroughly follow our courses and apply them practically to get the most out of yourself. Analyse your weaknesses and improve upon them. They might be easier to get over with than you think.

Score below 93:

Selling insurance would be hard for you. However, no one says it is an impossible task, so do not lose your heart yet.

Firstly, make sure that selling insurance is what you want to do for yourself. Once you have convinced yourself, put your heart out to it. Give it your best, and try to overcome the hindrances.

Check out your answers and see the sectors in which you can improve. Once you have analysed that, create an improvement plan for yourself.

Remember that you are not a wrong fit, you are simply walking in the wrong direction. To be able to sell insurance, you do not need something special that no one has. You simply want to be able to do it.

Once you know this is what you wish to do, you need to highlight the areas you need to work on. For example, if you lack the confidence to speak in front of larger groups, it is no big deal. Do not take us wrong, verbal communication is required from an insurance agent so he can convince the audience that they need to buy insurance.

However, this will not be a stop wall for you because this is something that you can overcome. Boosting confidence is something that a lot of people do nowadays through a variety of ways. So can you.

Conclusion:

Though this test is not psychiatry based and not an 'exact' scale to decide if you can make it or not as a successful insurance agent, it serves as a good marker to realize the areas in which you need to work on to be fit to be an awesome insurance agent.

Therefore, if you scored low in this test, you should analyse the areas in which progress is needed. Once you have those areas marked down, I suggest you spend some time improving upon them before making further moves.

Once you have those weaknesses pinned down, you can follow up our module to get the points to turn them into strengths. You will see rapid improvements in the characteristics that are required from one to be a good insurance agent.

And honestly, improving upon them would be easier than you think. Simple lifestyle fixes can go a long way.

If you scored high in the test, that does not mean that tomorrow you would go out on the street with an insurance bond and every house you visit will sign that bond. No. It is harder than you think. Plus, the rejection rate could still be really high.

So what do you do? You stay put with the module and learn all the tips and tricks we have in store. Gloating in over confidence isn't a good trait and not at all suitable for someone who wants to be a top notch insurance agent. Therefore, you still have a lot of things to learn, and you should make sure that you learn every trick of the trade.

The insurance sector has a lot of positive sides for a person in any score group. Therefore, all the work that is needed is to get over the negative points, i.e. the weak traits to be an ideal insurance agent.

And lastly, while there are some sectors suitable for smart work and others suitable for hard work, being an insurance agent requires combination of the two. And once you have that combination figured out in the right ratio, the results would be prosperous.