

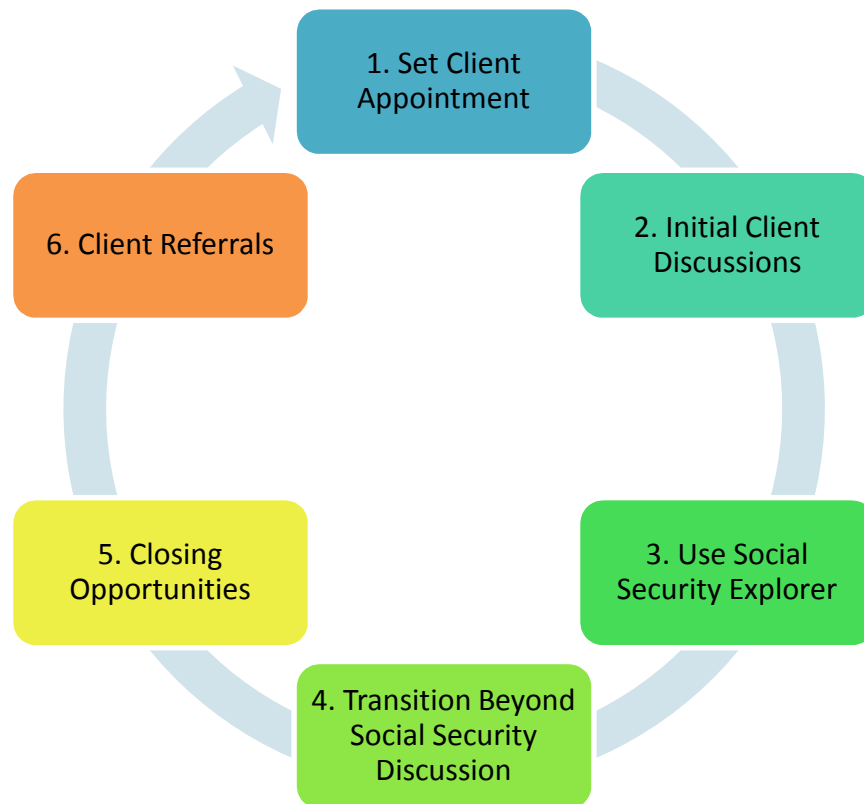
## Selling with Social Security Explorer

By John Lensi, CLU, ChFC, RHU, REBC, CMFC, LLIF – Vice President, Sales

Social Security Explorer (SSE) is an excellent point-of-sale selling aide to assist your efforts to bring life insurance, annuity, and other financial services product solutions to pre-retirees. It's always challenging writing a paper on how to use any sales aide to make product sales because each salesperson's selling style is unique. I'll share some personal thoughts to hopefully assist your individual efforts to use SSE to increase your production, improve client retention, and gain client referrals.

### Selling Cycle

Depending on the complexity (*and your selling style*) of a client's situation, you may conduct either a single interview or need multiple client meetings to close a case. My thoughts will assume a single client meeting for sake of sharing some selling suggestions associated with SSE, although a multiple client interview is more common and basic selling premises should apply regardless of which model you utilize.



## Step 1 – Setting the Client Appointment

Most financial services professionals prospect for new clients by obtaining referrals from their existing clients. This is generally the easiest, most efficient way to build clientele and increase your practice efficiencies (closing ratio, appointments-kept ratio, contacts-to-appointments-set ratio, etc.). The good news is SSE will help you secure referrals because it adds to your credibility and brings value to your practice. Clients can easily see how it can help others with a similar retirement profile as themselves.

A phone call to referral Bob and Mary Johnson (perhaps preceded by an introduction from your referring client and/or a preapproach note, email, postcard, etc.) might go like this<sup>1</sup>:

*Hi Mary, I was referred to you by Kathy and John Smith. {If preceded by an email, letter, postcard or personal introductions from your referee – then reference this... “I’m following up on the letter I sent you about the work I do for people like yourself who are approaching retirement...”}. My name is John Advisor and Kathy and Bob thought I might be able to help you based on work I recently did for them. I’m finding many people have a misunderstanding on when and how to best take their social security retirement benefits. I can help you understand your options so you can avoid making a costly financial mistake. There is no charge for my services. I only ask you set aside 45 minutes for us to meet. When is a convenient time for us to get together...?*

## Step 2 – Initial Client Interview

After introductions and an explanation of your professional services and how you came to meet your prospects through a referral from Bob and Mary, transition to use of SSE.

*Social Security is a significant source of monthly income for most of us once we decide to retire and file for benefits. Unfortunately, Social Security has a lot of complex rules and many people make a significant financial mistake in how they take (file) for their benefits...simply because they were uninformed about how and when to take their benefits. I have a special program which will help you determine the optimum age and filing method for you to take your benefits so you don’t make a mistake. Everyone’s situation is unique, so let’s take a look at your situation and see what options are best for you...*

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<sup>1</sup> Follow your compliance guidelines for using approved phone scripts, checking do not call list, etc. prior to contacting prospects.

### Step 3 – Use SSE

Begin to use SSE and engage clients in the ‘exercise’ of determining what age combination and election strategy is best for their retirement.



### SELLING TIPS

- ✓ Make sure clients can easily see your screen. SSE looks and works great on PCs, Macs, and iPads.
- ✓ Start with an explanation of the “Star” analysis as a benchmark to model other age/election strategies.
- ✓ Engage clients in modeling alternatives to pin-point what ages and filing strategy is best for them. Listen for clues to what’s important to their retirement.
- ✓ Have a discussion about their individual life expectancies’ based on family history, personal health and other longevity factors and set the LE slider accordingly.
- ✓ Avoid overselling with tool, use only the necessary functionality of SSE needed to advance the retirement discussion and any sales opportunities.

Note: Impact makes available a user’s guide for SSE, so if assistance is needed on using the tool itself, please refer to this guide or contact Impact’s support desk. [Support@Impact-Tech.com](mailto:Support@Impact-Tech.com) or (704) 549-1100.

## Life Insurance Sale Opportunity

By use of the LE slider and also “Optional Strategies” ledger screens, you can demonstrate the financial impact of an early death. Life insurance is an ideal product to produce the capital needed at death to replace the lost income when social security benefits stop at a retirees’ death. In some cases, ‘unneeded’ social security monthly income can be used to pay premiums for life insurance. Keep in mind, many of your clients may lose their group term life coverage upon retirement from their employer.

Calculator Optional Strategies Help Social Security Explorer  
Provided by: John Q. Agent, CLU, ChFC

Are you? Married  
Your birth year 1952 Spouse's birth year 1951

Start Social Security  
At your age 66 At spouse's age 66

Your monthly benefit \$2,600  
Spouse's monthly benefit \$1,000

Adjust for pensions not covered by Soc. Sec.

You live to age 86  
70 75 80 90 95 100

Your spouse lives to age 90  
70 75 80 85 95 100

Investment rate: 0%  
1 2 3 4 5 6 7 8 9 10%

Cost of living adjustment: 2.5%  
0% 1 2 3 4 5 6 7 8%

Strategy File for Benefits

Report: Add to

Ages	Your Benefit	Spouse's Benefit	Total Annual Benefits	Cumulative Lifetime Benefits
65/66	0	13,246	13,246	13,246
66/67	35,300	17,650	52,950	66,196
67/68	36,182	18,091	54,273	120,469
68/69	37,087	18,543	55,630	176,099
69/70	38,014	19,007	57,021	233,120
70/71	38,965	19,482	58,447	291,567
71/72	39,939	19,969	59,908	351,475
72/73	40,937	20,469	61,406	412,881
73/74	41,961	20,980	62,941	475,822
74/75	43,010	21,505	64,515	540,337
75/76	44,085	22,042	66,127	606,464
76/77	45,187	22,593	67,780	674,244
77/78	46,317	23,158	69,475	743,719
78/79	47,474	23,737	71,211	814,930
79/80	48,661	24,331	72,992	887,922
80/81	49,878	24,939	74,817	962,739
81/82	51,125	25,562	76,687	1,039,426
82/83	52,403	26,201	78,604	1,118,030
83/84	53,713	26,857	80,570	1,198,600
84/85	55,056	27,528	82,584	1,281,184
85/86	56,432	28,216	84,648	1,365,832
86/87	0	57,843	57,843	1,423,675
87/88	0	59,289	59,289	1,482,964
88/89	0	60,771	60,771	1,543,735

Calculator Optional Strategies Help Social Security Explorer  
Provided by: John Q. Agent, CLU, ChFC

Are you? Married  
Your birth year 1952 Spouse's birth year 1951

Start Social Security  
At your age 66 At spouse's age 66

Your monthly benefit \$2,600  
Spouse's monthly benefit \$1,000

Adjust for pensions not covered by Soc. Sec.

You live to age 75  
70 80 85 90 95 100

Your spouse lives to age 90  
70 75 80 85 95 100

Investment rate: 0%  
1 2 3 4 5 6 7 8 9 10%

Cost of living adjustment: 2.5%  
0% 1 2 3 4 5 6 7 8%

Strategy File for Benefits

Report: Add to

Ages	Your Benefit	Spouse's Benefit	Total Annual Benefits	Cumulative Lifetime Benefits
65/66	0	13,246	13,246	13,246
66/67	35,300	17,650	52,950	66,196
67/68	36,182	18,091	54,273	120,469
68/69	37,087	18,543	55,630	176,099
69/70	38,014	19,007	57,021	233,120
70/71	38,965	19,482	58,447	291,567
71/72	39,939	19,969	59,908	351,475
72/73	40,937	20,469	61,406	412,881
73/74	41,961	20,980	62,941	475,822
74/75	43,010	21,505	64,515	540,337
75/76	0	44,085	44,085	584,422
76/77	0	45,187	45,187	629,609
77/78	0	46,317	46,317	675,926
78/79	0	47,474	47,474	723,400
79/80	0	48,661	48,661	772,061
80/81	0	49,878	49,878	821,939
81/82	0	51,125	51,125	873,064
82/83	0	52,403	52,403	925,467
83/84	0	53,713	53,713	979,180
84/85	0	55,056	55,056	1,034,236
85/86	0	56,432	56,432	1,090,668
86/87	0	57,843	57,843	1,148,511
87/88	0	59,289	59,289	1,207,800
88/89	0	60,771	60,771	1,268,571

## Annuity Sale Opportunity

One possible annuity sale for someone close to retiring and electing to take social security retirement benefits is to convert some non-qualified assets (i.e., CDs, Mutual Funds) into a SPIA to provide a guaranteed income stream for the years prior to a significant increase in social security income. This requires careful coordination of when employment earnings stop, any pension income commencing, and other lifestyle issues.

Of course, once you move beyond SSE to an expanded discussion of retirement planning where other retirement assets (income sources) are coordinated, a tax-deferred annuity may be an appropriate sales opportunity to build an additional income source upon retirement.

Calculator **Optional Strategies** ? Help Social Security Explorer  
Provided by: John Q. Agent, CLU, ChFC

Are you? Married  ?

Your birth year 1952 Spouse's birth year 1951

**Start Social Security**

At your age 66 At spouse's age 66

Your monthly benefit \$2,600 ?

Spouse's monthly benefit \$1,000 ?

Adjust for pensions not covered by Soc. Sec.

You live to age 86

Your spouse lives to age 91

Investment rate: 0% ?

Cost of living adjustment: 2.5% ?

Strategy You File Restricted, Spouse Files ?

Report:

Ages	Your Benefit	Spouse's Benefit	Total Annual Benefits	Cumulative Lifetime Benefits
61/62	0	0	0	0
62/63	0	0	0	0
63/64	0	0	0	0
64/65	0	0	0	0
65/66	0	13,246	13,246	13,246
66/67	6,788	13,577	20,365	33,611
67/68	6,958	13,916	20,874	54,485
68/69	7,132	14,264	21,396	75,881
69/70	7,310	14,621	21,931	97,812
70/71	51,433	19,482	70,915	168,727
71/72	52,719	19,969	72,688	241,415
72/73	54,037	20,469	74,506	315,921
73/74	55,388	20,980	76,368	392,289
74/75	56,773	21,505	78,278	470,567
75/76	58,192	22,042	80,234	550,801
76/77	59,647	22,593	82,240	633,041
77/78	61,138	23,158	84,296	717,337
78/79	62,666	23,737	86,403	803,740
79/80	64,233	24,331	88,564	892,304
80/81	65,839	24,939	90,778	983,082
81/82	67,485	25,562	93,047	1,076,129
82/83	69,172	26,201	95,373	1,171,502
83/84	70,901	26,857	97,758	1,269,260
84/85	72,674	27,528	100,202	1,369,462

#### **Step 4 – Transition**

It's important for clients to understand that after 12 months of filing for benefits, their decisions are irrevocable. As Social Security benefits have a cost of living adjustment (2.5% average from 2000-2013), social security retirement income is typically the only source of income adjusted for the effect of inflation for most retirees. Because of this, often planners like to 'nail down' the social security election strategy prior to coordinating other income sources for a client's retirement.

#### ***Transition from SSE to an Expanded Retirement Discussion***

After determining the age and best election strategy to take social security, explain to your clients social security should be coordinated with their other sources of income and use this as your 'transition' to fact-find about what those other income sources are (i.e., pension, 401(k), annuities, mutual funds, etc.).

Many advisors start with 'locking down' how social security will be taken and then determine the retirement income to be generated from pensions, 401(k), IRA, 403(b), rental income, and other assets to supplement social security.

Proper retirement planning involves the coordination of income from employer-sponsored retirement plans, personal savings and investments, and any post-retirement consulting or income from continued full or part-time employment. In addition, taxation issues come into play. Impact makes available other retirement planning software tools to coordinate social security income with all other retirement assets and these can be seen on our website (along with sample outputs): [www.impact-tech.com](http://www.impact-tech.com)

#### **Step 5 – Closing**

Closing the sale is dependent upon the specific needs of pre-retirees and is beyond the scope of this paper to discuss in-depth as each client's needs are different. Reference is made here to "Closing" simply to recognize this a part of the sales cycle. SSE can aide your ability to successfully close a product sale because it allows you to bring creditability to the overall retirement planning process.

#### **Step 6 – Referrals**

SSE is a unique planning tool which brings value to your retirement planning services. It will help you gain referrals to other prospects and future clients. Most people tend to know other people in similar age range and social economic status to themselves.

## **Referral Approach**

There are many quality referred lead presentations this industry makes available. I'll share one below I developed; perhaps it may be of some help to those who are in need of structure for a referral presentation.

1. **Seal off the sales interview** before starting your referred lead presentation to make sure the sales interview is completed in the mind of the client: *"Bob and Mary, are there any other questions I can address about your retirement plans?"*
2. **Congratulate the client** on the wise decisions they made to put plans (and products) in place for their retirement: *"I'd like to congratulate the two of you on the wise decisions you've made to provide a more secure retirement..."*
3. Explain your practice of **meeting with your clients on a regular basis**: *"I'd like to explain how I work with new clients like yourself. I meet with them on a regular basis – generally annually – to make sure they continue to understand and monitor the plans we're put in place for your retirement and to make any adjustments needed so you reach your financial objectives"*
4. **Explain how you work** and that **you would like their help**: *"Allow me to explain how I have been able to develop a clientele in my profession. Generally I find people like yourselves who are satisfied with the planning services, refer me to others I may be in a position to offer my professional services to..."*
5. **Reference back** to the analysis you completed: *"As I have done for you, I have found most people are unclear of their social security options for retirement, and frankly I've often seen many couples making serious and unnecessary financial mistakes, simply because they we're uninformed of their options."*
6. **Paint the picture of the client profile** you desire to be referred to and how you follow-up on client referrals: *"Before you would be kind enough to refer me to others I may be able to help (assume consent), I want you to be comfortable about a couple things: first, how I follow-up on referrals my clients provide me; and second, the type of people I can be of most help to."* Continue to explain both based on your practice so eliminate any client concerns.

Note: **SSE** is ideally suited to pre-retirees in their mid to late 50's and of course people close to retirement. Thus, 'paint the picture' of these being the people you are interested in being introduced to.

7. Provide some type of professional **referral brochure** for your client to record referrals, and if appropriate, write a personal note of recommendation (provide pen and if you are addressing a couple, provide a pen and your referral brochure to each of them). Once you have secured a few referrals, then go back and inquire more about their demographics, contact information, and agreed upon best follow-up contact approach for each referral.

## Final Comments

Impact's Social Security Explorer is a unique and low-cost sales aide that will pay many dividends in helping build your professional practice. As with any sales tool, there is a modest learning curve to get comfortable with using the tool.

Remember, SSE (unlike most social security planning aides) is best used at point-of-sale. Clients will enjoy the planning experience and you'll find fact-gathering will come easier as you transition to an expanded discussion about retirement. Keep in mind as noted earlier, Impact has a support desk to help you along the way. Lean on them for added support if needed.

Good selling!

### About the Author

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Having started right out of college in the insurance and financial services profession, John has close to 40 years of sales and sales management and home office executive experience across multiple distribution channels. He has been a company officer for several prominent insurance companies during his long and distinguished career.

Along with his professional designations/education, he is a business administration graduate of Central Connecticut State University – New Britain, CT. Lensi has served as industry chairperson for LIMRA International's Agent & Management Training & Development committee and served on their Advanced Markets committee. He has had a number of articles published in industry trade journals and is a frequent platform speaker at industry conferences. John has built a number of professional training platforms which has led to the development of numerous MDRT qualifiers and has personally recruited and/or trained many of our industry's leading MDRT and management personnel.