Critical Period Coverage Script

Step #1 - Kitchen Table

Step #2 - Verify Information

Step #3 - *The Why* – Resurrect the Emotion

Step #4 - Explain Roll and Purpose

- My Job
- Broker
- Old Way vs. New Way – Bank is not Beneficiary & No Decreasing Benefit

Step #5 - Critical Period Concept ***(See "Critical Period Explanation" below)

- Two Options – Mortgage Payoff and Critical Period Coverage
- Explain Concept
- Benefits of Time
  - Time to Grieve Properly
  - Time to Make a Plan
  - Protect Your Equity

Step #6 - Show Options in the form of years or months of mortgage payments.

Step #7 - Application and Phone Interview

Step #8 - Secure the Sale

Step #9 - The Four R's

Critical Period Explanation

"As a broker, keep in mind that my job is to get you what you will qualify for, and to *not* get you declined for coverage. With mortgage protection there is really two options. There is the mortgage payoff plan, and unfortunately John, you are not going to qualify for that plan. The second option is very popular with homeowners in your situation and a lot more affordable. It is what they call Critical Period Coverage. This is in reference to the most critical period of time after the loss of a spouse or loved one when someone is at the most risk of losing their home. Let me explain."

"*John*, if something were to happen to you tomorrow (heaven forbid) does the bank come to *Mary* and ask for the full $150,000? (Nodding head) No, they just want the next $800 mortgage payment. People go into foreclosure not because the bank wants the payoff, but because the bank wants the payment. It would be nice if the bank would call you up and say how sorry they are about your loss and offer to waive your mortgage payments for the next 6 months to a year, but that's not how it works, is it?"

"What this policy is going to do for you is it is going to buy you time.

- Most importantly, time to grieve properly. The last thing we want is for *Mary* to be at your funeral worried about the next mortgage payment.
- Time to make a plan – If you need to sell the house or refinance. Let's face it; houses aren't exactly flying off the market right now. And would you rather get what the house is worth or get what you can for it?
- Time to protect the equity that you have worked hard to create in this home. You see guys, if you have time to protect your equity, then your equity can become your benefit."

"This is going to be a much better option because:

1. We can actually get it.
2. It's affordable.
3. It is a permanent product, which means if we qualify you are guaranteed to receive a benefit as long as you pay the premiums."

"Let's see how much time we can buy *Mary*."

Step #10 - Options Example

Ex: Client has a $600 mortgage payment:

Option A – $35,000 Death Benefit = 58 months of payments or 4.8 years. That cost is $350 per month.

Option B - $25,000 Death Benefit = 41 payments or 3.4 years. That cost is $220 per month.

Option C - $15,000 Death Benefit = 25 payments or 2.1 years. That cost is $140 per month.

Which option best suits you?

(If it is still too high, keep going until you find the budget. It is not uncommon to sell 3-6 months of payments if that is what fits the budget. Something is always better than nothing.)