

Kitchen Table Time



By James A. Dietrich, FIC

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James A. Dietrich, FIC

Introduction: Welcome!

If you're taking the time to read this introduction, I have to assume you've either already decided to embark on a career as an Insurance and Financial Counselor in the Fraternal Business, or you're considering doing so. Or, I suppose, you could be a personal friend who's curious about what I might be saying as I put pen to paper. In any regard, I thank you for your interest in a business that I have come to love and adore. In writing this book, it is my fondest hope and prayer that you, too, develop an all-consuming passion for this business we call fraternalism.

I even hesitate to call it a "business" - not because it's not; certainly, there's a strong need to treat it as a business - but because it's so much more than that. To be successful, happy and committed, you need to see it as more than a business as well because it takes so much time, energy and effort. I'd have to say I feel helping people as I do within the spirit and letter of my industry is more a life calling than a job. I hope this book can help you figure out if it's a calling for you as well.

Fraternalism is not simply the "not-for-profit" version of the commercial insurance industry - it's vastly different and understanding the nuances of who we are ... and who we are not ... is a main focus of this book. It's not "easier" in the fraternal industry, as so many in the commercial side of the business believe. In many ways, it is more difficult, but so much more rewarding.

When I started in this business, nothing like this book existed to help new recruits and those considering the business. If I could have found a book that had ANYTHING to do with the fraternal business, I would have devoured it. Instead, I was relegated to reading a lot of high-end producer stuff from Million Dollar Round Table (MDRT) and Canadian industry journals from ADVOCIS.

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Some of it was useful, most only partially applied to the fraternal business. There wasn't anything about what makes fraternalism different and how a sales representative could capitalize on it and realize greater success. So I sat down with a lot of people in the business to ask how they did what they did. Then I got to work, tried several things - some worked, some failed miserably. And I learned, oh how I learned! I felt as though I was clearing a path through an uncharted, and untouched wilderness. And I ploughed on.

This book reflects the insights I've gained from my years in the business as well as the insights and wisdom from producers with far more experience than me. It is my hope and desire that you find value in its pages, that it answers some of your questions concerning the industry and gives you a greater belief in what fraternalism is all about. Then, in the great spirit of fraternalism, when you've "arrived," you, too, can give something back to society.

Happy reading, and happy selling. May you "out produce" me!

James Dietrich

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*Well,
you're
in the
business
now!*

Chapter • 1



What were you thinking?

No, seriously, let me welcome you into the “brotherhood” (and sisterhood) of insurance counselors. You’re part of the family, now, and as a family member, I feel the calling to share with you what took me so long to figure out, to mentor you, if you will, as I would a younger, less experienced sibling. Perhaps you can learn more quickly, avoid my mistakes and, ultimately, surpass my own success story. If you’re still considering whether or not this industry is right for you, pay close attention to what you’ll be a part of should you decide the answer is, “Yes.”

The fraternal life business is a great place to have a career. Within it, you have the ability to touch people’s lives in ways a commercial agent would literally kill for. I don’t mean to sound rude, to insinuate that we’re “better” than commercial insurers, but what you have to understand is that what we have in fraternalism is SO much more important. You need, first and foremost, to understand the difference between the commercial world and fraternalism. At the heart of fraternalism is the desire to give something back along with the product or coverages we sell. And that extends to our representatives as well.

We are not in the business for the “almighty buck” alone. We’re not geared only for profit or to make money, we’re not profit takers. We’re here for each other, to make a difference in the lives of each other, those we serve, and the communities in which we live. There’s a much stronger commitment to the people in the business both personally and financially in fraternalism than their commercial counterparts. It’s one of the reasons a higher percentage of people last in the fraternal business than in commercial companies. So, while it’s difficult and it takes time, it’s infinitely better for your “whole” person.

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I see so many commercial agents decide to come into our business ... for a time, they may even be successful, but if they don't make the transition to the fraternal "difference," they don't last. On the flip side, there are far fewer fraternal agents trying to make the leap to the commercial side of the industry - there must be a reason for the huge statistical difference. There is, and when you grasp the difference between the two sides of the industry, you'll reap the benefits from what I consider the best "business" in the world.

That said, there is a harsh reality to deal with in any aspect of the insurance industry. The first thing I have to ask you is, "Why?" You've chosen to get into a business that 90% of those entering don't survive - I'm not trying to scare you off, just trying to be blunt honest with you. Your eyes need to be wide open when you make the decision to enter fraternalism. You need to know that you're going to have to go out there and make a whole bunch of mistakes.

When I recruit to this business, I look for somebody with drive that has a strong connection to our values, someone with a need for income and a desire to be their own person. You don't need a background in insurance or financial products, you don't even need a background in selling. What you need is an ear to hear, a mind to understand and a heart to reach out. If that describes you, read on. If it doesn't, run - do NOT walk - to the nearest exit and disembark the train that's about to leave the station. It's your last chance to get off before heartache, frustration and financial disaster strike.

If you're still with me, WELCOME! And pay attention. The school of hard knocks is about to begin. But, knowing what you're getting into will be your lifeline as you go through the trials and tribulations. It's a tough business at the start and it's only getting tougher as competition is forcing companies to cut the "cord" to their agents quicker and leave you on your own to sink or swim.

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As fraternal counselors, we need to do a better job of knowing if this business is exactly right for us before coming in; then closing the door, so to speak, for a couple years, working as hard and diligently as possible, recognizing that those first couple years are going to be really, really hard. No sugar coating the realities of life. Fore warned is fore armed.

There are many reasons why people don't survive this business, and throughout this book you will see many reasons why some CHOOSE not to survive. Mostly, they choose not to survive by choosing NOT to do the activity they know they need to put into the business. It's a commitment, to say the least. If you're married, it's a family commitment and everyone in the family needs to be committed to the process because they'll ALL be affected. It takes that kind of time, it costs a lot of money, it takes a lot of effort and energy, and you won't reap the "tenfold" rewards until much, much later.

Is patience a virtue in your family? If so, count yourself fortunate indeed and consider yourself ready to dig in. If not, you might want to work on that before delving into the fraternal business.

Insurance companies are notorious for heavily recruiting job candidates, particularly during key "seasons" of the year. Many could care less if it's "right" for you personally or not, they'll reap the short-term benefits of you selling to your family and friends, and if you leave shortly after starting, so be it. Their "sales" numbers went up for whatever time they felt was critical. That's true of commercial as well as fraternal companies. Again, I'm being blunt honest and I'm speaking to you producer to producer - take what the corporate headquarters says during recruiting with several grains of salt. Don't be rushed or pressured to act. Take time to consider this decision. If it's right for you, you and your family will know it. And you'll be better prepared for what lies ahead.

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I started in this wonderful business August of 2001, that would be a heartbeat for some of the professionals I have met and learned from along the way. While the first few years were not easy by any means, it certainly trained me to be a better person and showed me a lot of things I didn't realize about myself - one major thing is that I need to be a life long learner. I also realized that I like learning, especially from professional trainers and industry leaders. This is an ever-changing business, with new tax laws, new products and definitely new and innovative competition. You need to love learning to be able to stay on top of the game and "out-do" the competition no matter where it comes from - banks, employers or other entities looking to capitalize on people's disposable income.

I also learned that I needed to train to work harder in the early years. A lot harder! It took an incredible amount of energy and effort, but I'm better for having gone through the trenches - I like myself a lot more than I did then. I spend a lot more time alone with myself than I ever did, and that shows character, resiliency. I like that about myself. I'm not saying that I haven't had those times when I curled up into a corner and sucked my thumb - I have. But there are far fewer of them than before and there are much longer stretches between them. I feel better as a person, I know myself better and I feel pretty good about myself. If you're on a quest to get to know the real you, you've chosen the right profession!

Authors Jack and Jerry Kinder wrote in *"Building the Master Agency,"* that the early years as an insurance representative are better called an "apprenticeship."

"As a general rule, producers are underpaid for the amount of sales effort put forth during the first five years. After those apprenticeship years, they tend to be overpaid. There are several reasons for this. Selling and marketing skills take time to develop, knowledge and

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confidence grows along with those skills. The experienced producer is better disciplined and obviously has a more extensive referral network. Studies have shown that only 15% of producers' successes will be determined by technical knowledge."

Do you see now why, when I recruit, technical knowledge of insurance, selling or even finances isn't a high priority? It only accounts for 15% of your selling success. Pay attention. You, like me, have so much to learn!

Other sales jobs aren't completely commissioned based - this one is. But there are light-years of difference in this kind of selling from all other sales, even other commission-based sales. Here you're talking about something that most people don't want, or refuse, to talk about - death and dying. And if you've made the leap to "what about funeral services," this, too, is different in a very important way - you're selling something intangible. Your prospect can't see it, can't taste it, can't smell it, can't touch it or hear it.

But what about other intangible products, you might be wondering. There's one more important distinction - they'll never see the results of their purchase, as it is not "delivered" until after their death. They have to have absolute faith that it will, indeed, be there when they are not. Those are SERIOUS obstacles to overcome, obstacles that require you to build a great amount of trust and credibility. (*More about trust in Chapter 4.*)

Again, I'm not trying to scare you out of the business, just trying to be honest in a way I wish those who recruited me had been. The more we know about what we're getting into, the higher chance that we are going to be successful, and that's my overriding goal - that YOU be successful. If we're hit upside the head with what really needs to happen to "make it," a lot of people will pack it in - those who aren't cut out to be in the

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business in the first place. And the ones who are left will be fully armed to enter the battle and be victorious.

The first two years in the business are incredibly difficult, to put it mildly. I know if I didn't have the reducing subsidy that my organization generously offered me, I probably would not have survived. I also know those subsidies are becoming a thing of the past in our business, making the early years that much more traumatic. And let's be honest with each other about what you're getting into: two years is a long time to cover expenses if you're not making much income.

This book isn't a be-all and end-all of everything you need to know to succeed, either. I wouldn't be honest if I said so or even thought so. A lot of learning will come from doing and making mistakes and I can't change that reality. I can, however, offer as much wisdom as I possibly can to shortcut that process.

I see it very similar to the way I try and "train up" my children. I can tell them they can't do something or else this will happen, but they inevitably will go out and do that anyway. I can tell you what I've learned and what I know, but I can't do it for you, any more than I can do it for my children. I can help, and I offer to do so. I can mentor, and I offer to do that as well. But you have to make your own decisions as well as your own mistakes. If you're like me, you'll learn more from them anyway!

I got into this business because I wanted to be my own person, support my family and myself. I wanted to have the opportunity to be in control of my schedule - that was huge. And while it took some time for me to truly be "in control," once achieved, there's no going back to working on someone else's time! I choose when and who and how I work with people and I have complete flexibility as far as my timetable goes. I really can't envision myself doing anything else. It took me four years to get there, so in one respect I did it quicker than "average," according to the

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Kinders. By my estimation, if you've made it into your third year and things are going in the right direction, the dye is cast - you're going to be successful - stick with it and ride out the storm because the rewards are just around the corner.

It is my hope that throughout the time it takes for you to read this book, all of the reasons you wanted to be a part of one of the most difficult businesses in the free world are secured within you - it's a HUGE reservoir you'll need to draw from often in the weeks, months, and sometimes years ahead. Don't let that scare you, though - it may be the most difficult business, but it is also hands-down the most rewarding!

Like you, when I started, I wanted all the knowledge I could find ... and I wanted it NOW! Well guess what? It took me all of the first five years (and probably more) to find and understand what it is I can do for the people who are kind enough to give me the opportunity to sit with them at their kitchen table.

I have to tell you that I get a rush when I overcome what I consider to be one of the most difficult obstacles in this business - convincing someone they have human life value. People don't think of themselves as money-making machines, although they should. So, when I approach them to talk about how life insurance can ensure an income for their families after they're gone, they inevitably severely undervalue what they do.

Let me give you an example. I ran into somebody who owns his own business and clears \$100,000 a year. When we talked about insurance to protect his family, he only wanted a \$100,000 policy. So I asked him, "Why do you only want to give your family two years of your regular earnings (after tax) - don't you want them to have a little more time to not worry about finances?"

His comeback was, "Well, I have money saved and my business will be able to pay them."

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I counter with, “Well, that’s true, but do you work in that business?”

“Yeah, sure,” he answers. “I work hard, I’m the reason the business is successful.”

“So, after you’re gone,” I reply, “who’s going to do the work *YOU* do that ensures the company stays profitable so it can continue to pay your family a salary? Your wife? After she takes care of the kids, the house and whatever else she’s responsible for, then she’ll have time to devote to the business?”

When the light bulb goes on, there’s nothing more rewarding. To help people understand just how much value they bring to their families is incredible. Unfortunately, some people never get it, and that’s what makes this business so incredibly frustrating.

The first thing you need to understand about the business of being a Fraternal Life Insurance Advisor is the fact that you are not in the life insurance business, you are simply in the “prospecting” business. If you are someone who can master certain techniques about how to favorably meet people, you will never run out of opportunity to discuss their life needs. That alone will make you a success and allow you and your fraternal organization to do the good works that only you can do. *(More on this later in Chapter 3, Activity and Chapter 5, Prospecting.)*

That’s why I got into this all-consuming, life changing business. I hope you resonate with it in some way. Keep reading, you’re about to uncover the “secrets” to fraternal success - financially and personally. There is no more rewarding a career to embark upon. Let me help to explain why.

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A Look Ahead

The fraternal business demands a certain ethical code of conduct from its representatives - more so than any other business I am aware of. Simply put, you will fail if you get into it for the wrong reasons, no question about it. Your heart motivations are key. More on that in the next chapter.

*Do it
for the
Right
Reasons*

Chapter • 2



Why did you get into this business - what motivated you to take the step of inquiring about a position with a Fraternal Benefit Society? Was it financial security (everyone wants to earn a living, that's why we all seek jobs in the first place, right?). Was it to meet people, do something that looked "easy," or were there no other options? Be honest, because the "from the heart" answer will determine your success or failure in this business.

Here comes my honesty again - despite what you may think I do for a living, I am not motivated by life insurance, I'm motivated by fraternalism. What's the difference? The fact that I sell life insurance doesn't get me out of bed in the morning. If it did, I'd have gone to work for a commercial insurer. What gets me out of bed is fraternalism - having something of additional value, something that helps people - *THAT* gets me pretty excited.

When Joe and Mary tell me they've just become grandparents and I get to go deliver a baptismal cross to the family who probably doesn't even know I exist, that's rewarding. When the Pastor of the local congregation tells me he's brought six kids through confirmation classes and I get to make a presentation at their church and present confirmation crosses to all of them, that's rewarding. You know you've "arrived," you're part of their inner trust circle, you've made it.

Fraternal Motivator

In order to succeed in the fraternal business, you need to be motivated by the fraternal nature of the business. If you look at it as an easier way of getting prospects, you're going to be stopped so hard you can't even imagine, and you will definitely *NOT* succeed. There's a whole other side of this business, a side that

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commercial agents would *never* spend time doing, but fraternal agents not only have to, they need to enjoy it, value it, respect it and be encouraged by it. People see that and they want to work with us, but they likewise see through a thin veneer very easily. If you're not doing it for the right reasons, if you're only in it for the money, people will find you out, your true motivation will shine through and your heart desire will be your undoing. On the flip side, the "right" heart motivation will also shine through and lead to your ultimate success.

There are many "right" reasons to be a Fraternal Life Agent:

- To help people both with insurance and investment needs while you also help their community and most precious causes.
- To have the opportunity to make a good income and provide for your family.
- To work for yourself and have the freedom you deserve.

"Doing It For the Right Reason" includes all of those listed above, and possibly a few more. You have to see value in helping people more so than just offering them a life insurance product. That's all the values of fraternalism, all the extra things, the fraternal benefits, the things that come "at no extra charge" with membership in your society. Whatever fraternal you belong to, you have extra fraternal benefits that should be the motivator behind what you do and why people select you over commercial carriers.

It's good to have high income aspirations, I'm not saying there's anything wrong with making a good living, enjoying the freedom of working for yourself and owning a business. But there's so much more that needs to motivate you as a fraternal agent. Helping people must be at the heart of it all.