



EQUITABLE

# The new language of permanent life insurance

White Paper

A white paper based on positioning and messaging research by  
maslansky+partners

# The new language of permanent life insurance

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# Introduction

Selling permanent life insurance has never been easy. Often, just knowing where to start the conversation can be the hardest part. This document is designed to change all of that.

Maybe you've been selling permanent life insurance for years, but your tried and true methods seem to be losing their luster. By combining your experience and expertise with the proven language in this guide, you can have more effective conversations with potential clients of all ages. And if you've never sold permanent life insurance or generally handed it off to someone else, this will give you a place to start — with confidence.

Previous research tells us there are four main client objections to overcome when it comes to permanent life insurance. You probably hear objections like this all the time:

- Shouldn't I just buy term insurance?
- What does it all mean?
- Why do I need it now?
- Can I trust the company or person selling it?

Many people are familiar with the mantra “buy term and invest the rest,” so that's what you're up against. You've also probably seen that most potential clients don't know much about these complex products. And, frankly, that trust in the financial services and insurance industry may be low.

As their financial professional, you are often the first resource for your clients. You might introduce them to this product for the very first time, and how you set up the conversation can have a significant impact on their attitudes and perceptions of permanent life and other permanent life insurance products. What you say really matters.

This white paper is designed to give you the tools you need to effectively communicate the features and benefits of permanent life insurance by:

- Giving you access to insights about today's investor mindset and priorities based on recent research.
- Providing you with guidance on how to introduce permanent life to potential clients.

Essentially, the goal is to help you better serve the needs of your clients by introducing them to permanent life using language that gets them interested in learning more.

# maslansky + partners

## Who are we?

We're maslansky + partners, a consulting firm that specializes in the effective use of language, to understand the audience's mindset. Our research is based on a simple idea: It's not what you say that matters; it's what they hear™. Simply put, our unique language and message testing process is designed to help you communicate with confidence by focusing on how your audience reacts to what you say. We seek to simplify what's complicated, build trust and help you

communicate a message with customer-centric language that is clear, credible and compelling.

Equitable wanted to develop language that could easily describe the benefits of permanent life insurance to customers, and get them interested in purchasing. They asked for our help. This paper will discuss the methodology of the research and the findings — and how you can put this language into use for your practice.

## Research methodology

We used a multistep process to develop this specialized messaging:

**Phase 1** Based on previous research and input from key stakeholders, we worked with Equitable to write a range of approaches for introducing permanent life insurance. We wrote short, distinct messages designed to understand whether a particular framing does or does not work and why. We wrote about several topics, including the overall positioning, the accumulation story and the protection story.

**Phase 2** We then conducted two instant response dial sessions with a total of 43 high-net-worth investors in November 2014. During each session, investors reacted to the messages with Instant Response Dial technology on a moment-to-moment basis. As they heard messages being played on a TV, they used a dial with a rating of 0-100 to continuously rate each message based on their gut feelings. Then, group discussion teased out the reasoning behind their reactions and helped us understand why they reacted the way they did to particular words, phrases and ideas. Participants also filled out written exercises asking them to compare messages and choose language that was most resonant to them.

**Phase 3** We took their dial reactions, conversation and written exercises to create optimized messages that would be tested further in a quantitative survey. We pieced together what worked to create overall positioning, accumulation and protection messages. Then, these messages were tested in a quantitative survey conducted by the research firm IPSOS in December 2014 and January 2015 with 428 high-net-worth consumers and 487 financial professionals. Qualitative and quantitative results were both considered to inform this paper.

## Communication context

Language matters.

Do clients want financial solutions or financial strategies? To your clients, these two things are not the same. A solution implies a one-time fix. A strategy, however, means an ongoing partnership. This simple shift can make a big difference in whether someone keeps listening or tunes you out.

How should you introduce permanent life insurance in a way that gets people to hear what you have to say?

The key is to speak their language. You have to find the intersection between what you believe and are trying to communicate (your truth) and their world view (their truth). Because how people think about permanent life insurance is as much about their emotions, context and perceptions as it is about the objective truth. So, what is their truth? We talked to them and found out.

**The single biggest problem in communication is the illusion that it has taken place.**

**– George Bernard Shaw**

# The consumer mindset today

## What we know

From quantitative research, we knew there were several roadblocks holding clients back from purchasing a permanent life insurance policy: education, procrastination and trust. To understand how to address these issues, we wrote messages that explained permanent life in a way that attempted to overcome these objections. We then tested that language to figure out what works, what doesn't and why.

The people we spoke to were financially literate, engaged, active managers of their finances. They had the financial means necessary to purchase permanent life. They want a comfortable retirement and have spent years saving up for that retirement. They are concerned

about what might happen to their family when they're gone. And many of them know they need some kind of insurance to protect their families. The people we spoke to were an ideal target for a permanent life product.

So...why weren't they fully planning for their insurance needs? Why weren't they buying permanent life? What was the hang-up?

The truth is, most consumers just don't know much about permanent life insurance. And what they don't know can hurt you.

Several reasonable, fact-based arguments simply fell flat when we tested them with consumers:

Equitable's truth	Client's interpretation
Permanent life insurance offers so much more value than term.	What's permanent life insurance?
Permanent life insurance is for you AND your family.	Life insurance is for your family when you die.
Permanent life insurance offers the opportunity for growth.	The whole point of insurance is to minimize risk!
Permanent life insurance provides potential access to your money through loans and withdrawals. <sup>1</sup>	Life insurance means giving up money that I'll probably never see again.

The distinction between permanent life insurance and term insurance is second nature to you. But the fact is, even the savvy investors in our research knew almost nothing about permanent life insurance. Many had never even heard of it. So when you start talking about permanent life insurance, they come to the conversation thinking about what they do know: life insurance is for when you die. It's about protecting your family. It's not

about growth. It's a backup plan, not money you want to put at risk or use during your lifetime.

They're really starting from square one. So it was easy for our participants to feel overwhelmed by the conversation. And if they're confused, they're not hearing what you're trying to say.

<sup>1</sup> Policy loans and withdrawals will reduce both the face amount and cash value of the contract. Clients may need to fund higher premiums in later years to keep the policy from lapsing.



To get them to listen, you must take their mindset into account. Our research showed that there is a right way – and a wrong way – to start this conversation.

### Addressing their (mis)perceptions

Because our research revealed that they know so little about permanent life insurance, starting the conversation in the wrong place can lead to trouble. It's important to keep in mind their #1 concern when having any conversation about life insurance: protecting their family.

You have to start from where they are today and what they already know (that life insurance is about protecting family), not where you want them to be and what you want them to know.

If you say...	They respond...
Life insurance is a multipurpose financial planning tool.	No, it's not. It's protection for my family.
You can use the cash value to help fund your retirement.	At the expense of my family?
The tax advantages can potentially help you grow your cash value over time.	That's what investments are for... what about my family?

Start off wrong and you can lose them for good. The statements on the left side of the table aren't bad; they just don't make sense to people BEFORE you address their main concern: protecting their family.

Our research participants thought of life insurance as one thing and investments as another. Most of the people we spoke to were confused when we talked about the two together. Because after all, investment involves risk, right? And insurance is all about mitigating risk. Aren't they opposites?

So shift your focus and start where they are. In most cases, your conversation about permanent life should start with protection.

Protection might not seem like life insurance's most exciting feature. But it's the one thing that makes life insurance unique AND it is the benefit your clients want. In our research, it was clear...clients want to hear about protection first before they're willing to hear about anything else – even growth!



# Making permanent life insurance more relevant

Permanent life insurance is counterintuitive. It is called life insurance but, to everyday people, it's actually a complex product that **combines insurance and potential for growth**. Partly because of this complexity, how you talk about permanent life is critical to having a successful conversation.

Permanent life may be complex, but when the benefits are clearly communicated, and when you talk about permanent life insurance as protection plus more, many clients believe it can be a valuable part of their larger financial plan.

Of course, as your younger clients today prepare for their financial future, many are focused on whether they will have enough to retire the way they want. Many are also concerned about whether they have to choose between enjoying life today or retiring comfortably tomorrow.

Permanent life helps them address these challenges while also helping them protect their family. It's protection plus. The key is in how you explain these dual benefits. With permanent life, clients have the opportunity to do so much more than just protect. They can also minimize their tax bill and grow their money over time for a comfortable retirement or to leave a legacy.

## Don't short-change protection

Don't short-change protection. Often, the conversation jumps too quickly to the growth opportunities, but the consumers in our research told us they want to hear more about protection first. So when you're talking about permanent life with your clients, you should position it as protection for your family plus so much more.

How do you do that? Here's an opening that really worked with the target audience:

**Permanent life insurance is a smart addition to any financial plan for more ways to protect their family, minimize their taxes and grow their money over time.**



Crucially, permanent life is an addition to their current financial plan. Most prospects are already investing.

They may already have some protections in place. This is something else they can do in addition to what they're doing already. Avoid the temptation to oversell permanent life's importance by making it sound like a must-have. To them, it's not.

The next piece is to touch on the three things that potential clients in our research were really looking for when it comes to a product like permanent life insurance.

The three things that got them to sit up and ask more questions are:

- Protection for their family
- Minimizing their taxes through tax-deferred growth
- Growing their money over time

These three benefits are the core of your messaging. Once they're interested, this is how to explain what else permanent life can do in addition to protection. And you can summarize what our permanent life can do with three principles:

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**Live More.  
Keep More.  
Build More.**

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**Now let's explore each of the  
three principles of our  
permanent life portfolio.**

# Equitable principles

## Live More.

Order is important. The first principle is “Live More.” for a reason. It’s focused on the (largely unexpected) living benefits permanent life offers.

So what can you say about these benefits?  
Here’s “Live More.” in a nutshell:

**Unlike term insurance, permanent life insurance helps you live more for today by protecting your family for your entire life, while adapting throughout your life to provide tax-advantaged access to your cash value, through loans and withdrawals, when you need it most.<sup>1</sup>**

1. Access to money isn’t something most people expect from an insurance product. It signals to them that permanent life might give them more than they originally thought it would. That they’re not only protecting family, but they’re protecting themselves in case they ever need that money in an emergency. This also explains what’s different about permanent life insurance relative to other types of insurance or investment products. Insurance’s primary purpose is protection, but this explains how permanent life offers more, which is essential to getting people to keep listening.

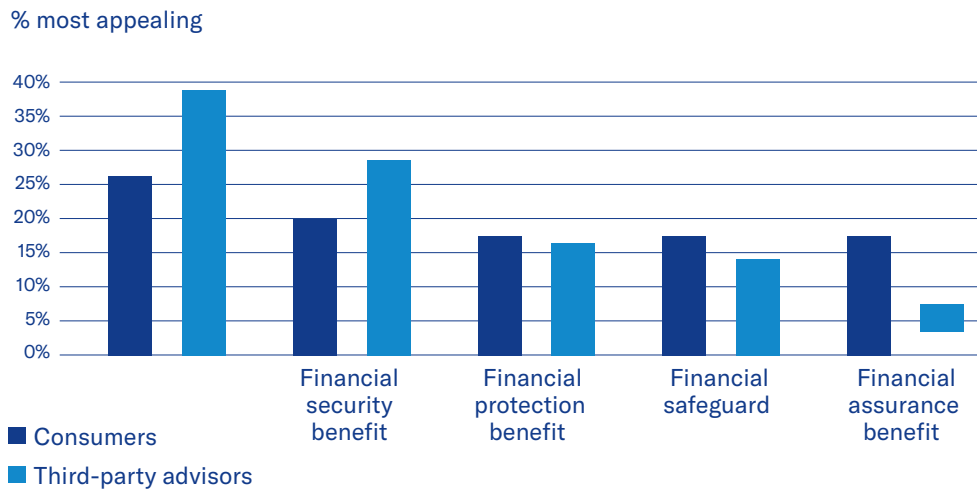
As we’ve seen, the words you use to talk about these “Live More.” benefits are critically important. Let’s dig into some of the details:

## The phrase “death benefit”

Of course, life insurance is purchased to support beneficiaries in the event of death, but no one likes to be reminded of their own mortality. Instead of talking about death, keep it positive and describe the value of the benefit: protection and safety.

You say...	They hear...	Instead say...
Death benefit	Death	Financial security benefit for my family
When you die		When you can no longer provide for your family

Quantitative research confirmed that “financial security benefit” was the best way to reframe the idea of a death benefit with both consumers and third-party advisors.



### The word “beneficiaries”

So who are they protecting? Talking about the beneficiaries themselves is tricky. It’s easy to sound too informal and corporate, but it turns them off if you’re too personal. If you want to describe beneficiaries in another, more personal way, keep your language plain and simple. If you’re overly formal or informal, you can alienate your audience.



You say...	They hear...	Instead say...
Heirs	Rich people’s kids	Family
Loved ones	Overly sentimental	

## The phrase “cash value”

When speaking to clients about cash value, talk about access. Our research showed you should avoid initially talking about cash value as a loan. The focus should be on the protection. Since it’s their money in the policy, they don’t think you should charge them if they need to use it,

which is what “loan” implies to them. Instead, by focusing on access, you make clear they can get to it if they need it, without signaling that there may be a fee. If the discussion does go into the topics of loans, you must fully disclose and explain how the loans work.

You say...	They hear...	Instead say...
Loan*	Why should I pay interest to an insurance company when I’m just dipping into my own money?	Access to your cash* Access to your cash*

Additionally, when talking about access to money, remember that this is a secondary benefit to them. Participants emphasized that the primary reason they are purchasing insurance is protection for their family. So when you talk about living benefits and access to money while they are still alive, be sure the examples you give for why

they might want to use the money are serious ones. People in our groups rejected the implication that they would reduce their family’s protection for something frivolous like a vacation. But they were more receptive to examples of major life expenses.

You say...	They hear...	Instead say...
Vacations and weddings	This is serious. Talk about serious needs.	Potential access to your money for your mortgage, a child’s college expenses or a more comfortable retirement if you need it.

In the IPSOS quantitative survey, consumers clicked on phrases to show what was most compelling to them. Text in red was clicked the most. Larger text was clicked even more. When it comes to access to your money, these phrases resonated most:

Permanent life insurance is for you and your family, **which means you potentially can access your money throughout your life if you need it**, while knowing your family is protected no matter what. As your life evolves, you can use the cash surrender value **to help pay for your mortgage**, your child’s college expenses **or simply to help live more comfortably in retirement**. So whether you’re saving for retirement or want to leave more behind, you can use your money **in the way that’s best for you and your family** at each stage of your life.

\*Please remember when discussing loans or access to cash, you must fully disclose the restrictions and limitations of a policy loan or withdrawals with your client.

## Keep More.

The next principle is “Keep More.” This is all about how a permanent life insurance or a permanent life policy can help clients keep more of their money at the end of the day.

So how should you talk about keeping more money? Here’s “Keep More.” in a nutshell:

Permanent life insurance allows you to **keep more** of your money by helping to **minimize your taxes**, and generally offering no income taxes on any money you pass along to help give you more control over your and your family’s financial future.

Remember that the potential clients you are speaking to don’t know much about permanent life. So examples of how they can keep more and comparisons to products they are more familiar with go a long way.

The words you use to talk about “keeping more” are critically important. Let’s dig into some of the details:

What to say	Why it works
Like/unlike.	Reviewing more familiar products help them appreciate the benefits and understand how it fits into their larger financial picture.
Minimizing how much you pay in taxes.	Everyone likes fewer taxes!
No contribution limits.	Enhanced access made this a valuable feature.
No income taxes. <sup>2</sup>	Explicit reassurance helps.

<sup>2</sup> The possibility for income tax implications may exist if a policy lapses or becomes a modified endowment contract.

**“Keep More.”** is all about working with other products. Your clients and potential clients have a lot of balls in the air. They’re getting a lot of messages about the need to invest in this or that. So you need to put permanent life insurance into context for them. Show them how it’s different and can work well with some other investment options. It explains why they might need this one, too.

The quantitative survey confirmed that consumers value the comparison to another product they might be more familiar with. Below are the words they clicked on most in red and larger text in the tax concepts:

**Permanent life insurance offers an advantage over taxable accounts because all of the money you invest through your monthly payments is able to grow tax-deferred. That means you can build your assets over time.**

**Permanent life insurance can accumulate without the income limitations. You can withdraw money tax-free, and you can also tap into this money tax-free.**

Considerations when reviewing life insurance with other vehicles

Remember that cash value life insurance does have considerations that clients should review carefully before selecting a life insurance policy:

- If a client does not keep paying the premium on a life insurance policy, he/she will lose substantial money in early years.
- To be effective, a client needs to hold the policy until death. A life insurance policy generally takes years to build up substantial cash value.
- Tax-free distributions will reduce the cash value and face amount of the policy. A client may need to pay higher premiums in later years to keep the policy from lapsing.
- Clients must qualify medically and financially for life insurance.
- Generally, there are many additional charges associated with a life insurance policy, including but not limited to, a front-end load, monthly administrative charge, monthly segment charge, cost of insurance charge, additional benefit rider costs and surrender charges.

## Build More.

The next principle is “Build More.” It’s all about growing their money. And as you saw above, the idea of building more by minimizing taxes is a compelling differentiator for consumers.

So how should you talk about earning money with an insurance product? Here’s “Build More.” in a nutshell:

**Permanent life insurance is a smart addition to help build your assets. Think about the opportunity to build cash value in your policy while building upon your other assets over your lifetime. Unlike term insurance, permanent life insurance does have cash value with the potential to grow over time, with tax-deferred growth.**

Growth and earnings aren’t something people automatically think of when it comes to insurance. This language pleasantly surprised many of the research participants we spoke to. It’s an important differentiator for permanent life insurance and explains why you might want to put your money into permanent life as opposed to another type of financial product. But the idea of investing with an insurance product also raises some red

flags. They of course want to build their assets, but they are buying insurance to be protected, and so anything that implies this protection might be at risk worries them.

The words you use to talk investing with an insurance product are critically important. Let’s dig into some of the details:

What to say	Why it works
Grows tax-deferred.	It’s credible and positive.
Build your assets more quickly.	This is the ultimate benefit of growth.

When you’re introducing permanent life insurance, investments are of course part of the conversation. But be aware of how touchy the investors we spoke to can be about risk. They’re not looking to take big risks with this type of a product. So yes, talk about the benefits that appeal to them (tax advantages, potential for gains), but do so in a way that makes them feel secure and protected.

## The word “investments”

Believe it or not, even with this sophisticated audience, it’s easy for any sort of conversation about investments to come across as jargon. “Earned value” is insurance jargon and isn’t something our research audience was immediately familiar with.

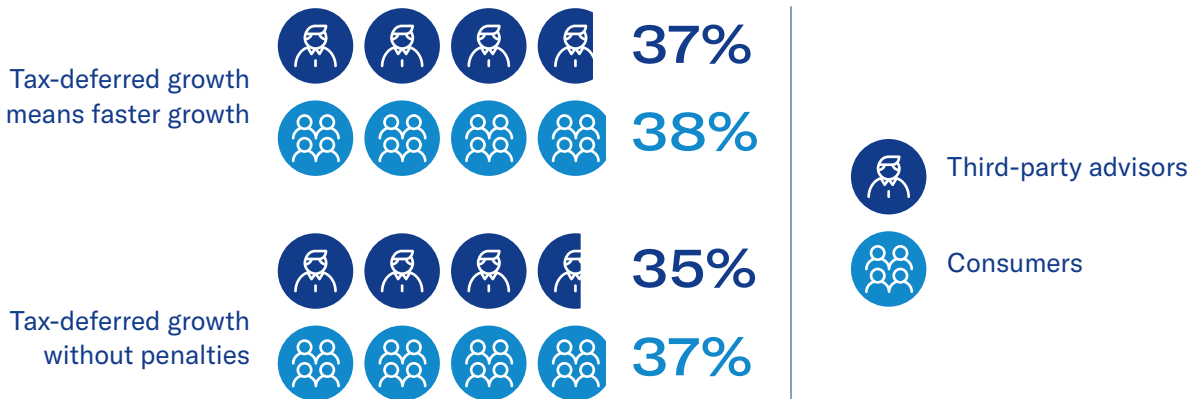
Importantly, most investors we spoke to weren’t familiar with the idea of building cash value inside of an insurance product, and the concept can seem contradictory.

You say...	They hear...	Instead say...
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Your earned value may increase and decrease with the market.

Huh? Risk!

Unlike term insurance, your permanent life cash value can grow over time.





## Summary

When you are introducing potential new clients to permanent life insurance, our research shows language truly matters. With the right core positioning and proof points, you'll be able to open the conversation in a way

that gets the client asking questions and wondering what else permanent life insurance can do for them. When you're not quite sure where to start, use the following Message Architecture to guide your conversations.

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### Core positioning

Permanent life insurance has **fewer restrictions** and provides **more flexibility** that adapts to any financial plan.

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### Core message

Permanent life insurance can be a smart addition to any financial plan for clients who want more ways to **protect their family, minimize their taxes** and **grow their money more** over time.

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### How we tell our story

#### Live more.

Unlike term insurance, permanent life insurance protects your family for your entire life, while adapting throughout your life to provide access to your available cash value when you need it most.<sup>1,2</sup>

#### Keep more.

While 401(k) and IRAs offer tax benefits, they do have income taxes on money you pass along.

Permanent life insurance allows you keep more of your money by helping to minimize your taxes through tax-deferred growth, and generally offering no income taxes on any money you pass along to help give you more control over your and your family's financial future.

#### Build more.

Permanent life insurance is a smart addition to help build your assets. Unlike term insurance, permanent life insurance does have cash value with the potential to grow over time with tax-deferred growth.

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### How we prove it

Guaranteed financial security for your family, through a death benefit.<sup>3</sup>

Flexibility to access your money through loans and withdrawals.<sup>1</sup>

Ability to customize benefits with one of the industry-leading Long-Term Care Services<sup>SM</sup> Rider, Market Stabilizer Option<sup>®</sup> and more.<sup>3</sup>

Lower overall tax burden.

Tax-free financial security benefit called the death benefit.

Builds value over time.

Wide range of investment choices within variable life insurance policies.

Tax-deferred growth.

And if you remember only one thing about introducing permanent life insurance to potential new clients, remember this: Our research participants came to the conversation with a focus on protection first. Protecting their family is the primary reason almost everyone buys

any sort of life insurance policy. So don't short-change protection. Start with it. And explain how a permanent life insurance policy can provide that protection...with so much more. Please remember to review the considerations on page 12 for life insurance.

<sup>1</sup> Policy loans and withdrawals will reduce the face amount and cash value of the contract. Clients may need to fund higher premiums in later years to keep the policy from lapsing.

<sup>2</sup> The Long-Term Care Services<sup>SM</sup> Rider is available for an additional charge, and does have restrictions and limitations. A client may qualify for the insurance, but not the rider. It is paid as an acceleration of the death benefit.

<sup>3</sup> As long as required premiums are paid.

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