

A Wiesner Publication
Volume 2, No. 2
February 2004
www.benefitsellingmag.com

BENEFITS SELLING™

FOR THE BROKER SPECIALIZING
IN GROUP AND VOLUNTARY PRODUCTS

Get Past the Gatekeeper
Cold-Calling Strategies that Work

5

Attributes
of a Successful
Self-Funded Plan

Selling from the the Heartland

Nick Cain proves that worksite success can happen anywhere

CEVA
CEVA BENEFITS GROUP



940-686-1100

(fax) 940-686-1110

(Toll Free) 877-241-2877



Interview **Stephen P. Brown**
Photography **Stewart Cohen**

Down Home Selling

Nick Cain explains why his **simple, homespun attitude**
to worksite benefits selling works in Middle America.



Nick Cain

is, and always will be, a country boy at heart. What else would you expect from someone born and raised in the hinterlands of East Texas, who was inculcated to the benefits of rural living? Recounts Cain of his bucolic upbringing: “My family did a lot of farming, ranching, hunting, and fishing. Ever since I was a kid, I’ve always enjoyed the outdoors.” >>>

That said, don't confuse country living with bumpkinism. After graduating from high school, Cain was nominated to attend the prestigious Naval Academy in Annapolis, Md. Wanting to remain close to his country roots, though, he declined the nomination, and instead attended Lamar University in Beaumont, Texas, where he graduated with a baccalaureate in education.

After college, Cain coached high school basketball in Texas with appreciable success. In 1970, he was named "Coach of the Year" by the Texas A&M Club. Much of his coaching legerdemain can be attributed to Billy Tubbs, the legendary University of Oklahoma basketball coach. "Billy helped me get my coaching career started," says Cain. "He was an excellent mentor. I became a head coach when I was only 22 years old."

Despite early success, by age 25 Cain's interest in basketball had waned. "After a while, it just wasn't fun anymore," he says. "I started to



look elsewhere to make a living, and I took a job selling insurance part time and that seemed to work for me."

To be sure, selling insurance has worked well for Cain. He boasts over 33 years in the insurance benefits industry, and has performed a variety of functions: For 10 years, he was the owner of a successful property & casualty insurance agency. After that venture, he worked for 18 years as regional director, training director, and field development director for Colonial Life & Accident (now a UNUM Provident company), becoming one of Colonial's top area managers.

By 1998, Cain again yearned to be an independent business owner, so he left Colonial to start Pilot Point, Texas-based CEVA Benefits Group, a niche organization that sells worksite benefits solutions to small- and mid-size brokers.

Country living, practice building, marketing, and selling worksite benefits are just a few of the subjects Cain broached during a recent interview with *Benefits Selling*. To learn what it takes to successfully sell worksite benefits from America's heartland, read on.

BS: HOW LONG HAVE YOU BEEN IN PILOT POINT, TEXAS?

NC: I've been up here for about 20 years. I lived in Dallas for a couple of years and then I decided that I wanted to live close to, but not in, the metro area, so we moved to Pilot Point.

BS: WHAT WERE YOU SELLING WHEN YOU FIRST ENTERED THE INSURANCE BUSINESS?

NC: I was selling individual life policies across someone's kitchen table at night. I would invoke the "100-man" story. Out of 100 people over age 65, 95 will be either dead or dead broke. I would tell them that you don't want to be either. But if you're dead, your family at least gets life insurance so that you don't leave them dead broke. It was a way to sell cash value life insurance. A lot of the people who grew up with me in the industry remember that.

BS: HOW DID YOU INITIALLY CULTIVATE CONTACTS?

NC: I was able to meet with people through my contacts in coaching. Those folks then led to other referrals. I would just write down the names of people I would meet and it would snowball from there.

BS: WHAT LED YOU TO THE WORKSITE BENEFITS MARKET?

NC: I was talking to a business owner one day over in Groveton, Texas and he had a little manufacturing company with about 40 employees. He said, "You know, I think that you need to talk with my employees about their insurance needs." So I started talking to the employees and one of them came up and said, "Well, could you take it {premiums} out of my check?" The boss agreed to do that, and I wound up selling 38 policies. I thought that this sure beat

the heck out of sitting at a kitchen table selling policies one at a time.

Because of that experience, I started focusing on payroll deductions. In fact, I sold 686 life insurance policies that year through the worksite. This was when people were usually selling one or two policies a week. My fellow agents would ask, "How in the world did you do that?" It was real simple — payroll deduction.

BS: WERE YOU CAPTIVE AT THE TIME?

NC: Yes, I was with American Life Insurance Co. They are based in Waco, Texas and they still have a home office there. I got into property & casualty insurance. I built a good-size business, but I sold it in 1980 because it was becoming very complex and required a lot of service.

I then went to work for Colonial Life, where I focused on small- to medium-sized businesses. Unless you

are within the clique or know someone in a large business, it is very difficult to get in the door. I find that small businesses are looking for solutions; they are much more receptive to new ideas.

BS: DOES THE BUSINESS NEED TO HAVE A MINIMUM NUMBER OF EMPLOYEES BEFORE YOU'LL WORK WITH THEM?

NC: I'll go from two employees up to hundreds of employees.

BS: IT IS OBVIOUSLY MUCH EASIER TO REACH THE DECISION MAKER IN A SMALL BUSINESS.

NC: Absolutely, because the owner is often working on the assembly line with the other guys. He really understands their needs.

BS: ANY INSIGHTS TO SUCCESSFULLY TARGETING SMALL BUSINESSES?

NC: I've always found it worthwhile to sit down and meet with someone eye to eye. The owners can see you and how you are dressed. You can present an aura that the owner can relate to.

BS: WHERE DO YOU FIND RECEPTIVE SMALL BUSINESSES?

NC: I go to the local chamber of commerce, or I buy a list. I also go to the local bank and ask which business they think could use my services. I have never been shy about asking other people for their help.

BS: DID YOU SELL OTHER BENEFITS IN ADDITION TO LIFE AT COLONIAL?

NC: Yes, I also sold disability, accident, and cancer. We were on the cutting edge of marketing Section 125 plans, too. I was on the committee that really started that, and we had a lot of success with it.

BS: WHEN AND WHY DID YOU LEAVE COLONIAL?

NC: I left them in 1998 because Colonial was sold to UNUM Provident. Everything changed. I knew in

1995 I was going to leave; I just had to pick the right time.

BS: SO THAT'S WHEN YOU STARTED CEVA BENEFITS GROUP.

NC: Yes. CEVA is an acronym for communication, enrollments, voluntary products, and administration. We actually started the business in a barn. As the business grew, I brought my son and a few other people into the fold. And it has grown significantly since its inception. In fact, this year alone our client size has doubled.

BS: HOW MANY EMPLOYEES DO YOU HAVE NOW?

NC: We have six.

BS: WHAT WAS THE MOST DIFFICULT ASPECT OF GOING OUT ON YOUR OWN?

NC: Starting from the beginning all over again. I couldn't take anyone with me from Colonial. We focused on building relationships with property & casualty brokers. Reason being, they have established relationships with clients, but they don't have the time, expertise, or understanding of the voluntary products market. They want to keep their relationships with their clients strong, so they are willing to let us help them serve their clients' benefits needs.

When you're dealing with a relationship through a third party, you have so many people you have to please in the cycle. You've got the broker, who is your primary contact; you have the boss or the owner of the company; then you have the business manager or the HR person; and then you have the end user. You don't want to spoil any of these relationships. That's the secret to being successful and capturing business through other brokers.

BS: HOW DO YOU BUILD RELATIONSHIPS WITH BROKERS?

NC: Basically through referrals; word of mouth from other brokers, and carriers. We have an office in downtown Pilot Point, but 95 percent of our business is generated elsewhere. Thanks to the Internet and other communications

technology, I'm doing business with brokers in Mississippi, Louisiana, New Mexico, Oklahoma, and other parts of the country.

BS: ARE THERE ANCILLARY COMPENSATION AGREEMENTS?

NC: There is usually a shared compensation agreement. It's an added incentive for the brokers to give us more business. We also try to work with carriers who are willing to provide compensation incentives for brokers.

BS: HOW MANY CARRIERS DO YOU WORK WITH?

NC: About 30.

BS: DO YOU SELL ANY BENEFITS OUTSIDE OF THE WORKPLACE?

NC: If it's not dealing with payroll deduction, we don't deal with it.

BS: WHAT ARE SOME OF THE COMMON OBJECTIONS YOU FACE WHEN SELLING BENEFITS?

NC: There is the productivity issue; taking the employees off a job. Also, the employer may not want to accept the obligation. Even though it's the employees' money, you are putting the employer in a fiduciary responsibility. Some small employers have trouble making payroll, so they don't want to create another bill.

That's why when you first go to the employer or broker you have to understand what his motivation is. You find out where his problems are, and then you come back with the products and solutions to help him.

BS: ANY EXAMPLES?

NC: The other day we were visiting a client who had 15 employees. I was asking him about his life insurance needs. He said that he didn't want life insurance because he would have been charged too much.

But I also discovered that he needed a buy/sell agreement. As a result of us being there and my blueprint, I was able to convince him to attend to that need. From there, I was able to con-

vince him of the benefits of offering life insurance to his employees.

BS: DO YOU HAVE ANY GUIDELINES FOR MAINTAINING AFFORDABILITY?

NC: We use an hourly rate per week. For example, if an employee is making \$20 an hour, then we don't want him paying more than that in premiums per week.

BS: WHAT NEW MARKETS ARE YOU EXPLORING?

NC: We see growth opportunities in the Spanish-speaking market. But speaking the language isn't enough; you have to understand the culture as well. Often, they have a foreign mindset, and they don't understand how insurance works. Nevertheless, it's worth taking the time to teach them the benefits of insurance and other insurance-related products. The Spanish-speaking market is becoming too big to ignore.

BS: WHAT ADVICE DO YOU HAVE FOR PRODUCERS ENTERING THE WORKSITE MARKET?

NC: I guess the best advice is to make sure you are selling benefits for the right reasons. In this business, a lot of people enter strictly for financial rewards. It is absolutely the wrong motivation because at the end of the day that's not where the true reward is.

BS: WHAT ADVICE CAN YOU GIVE SOMEONE WHO IS LOOKING TO BECOME MORE ENTREPRENEURIAL?

NC: Develop strong relationships with carriers who are willing to work with you and stay with you. Second, develop strong relationships within your community and with other business people.

BS: WHAT ARE SOME PRAGMATIC WAYS TO BUILD THESE RELATIONSHIPS?

NC: Join civic clubs, become a volunteer fireman, join the Lion's Club or



Rotary Club, and become involved politically. Activity creates activity. You can't just hang a shingle outside your door and expect everyone to run to your store. It's not going to happen. You've got to go out and make things happen.

BS: WHAT IS THE BIGGEST ADVANTAGE OF SELLING TO THE WORKSITE MARKET?

NC: If you are targeting individuals, you are going to limit your market. You just can't get the same economies of scale selling individual policies as you can in the worksite market. And let's face it, time is a key factor. If you are going to see fewer groups, you are going to have to make more individual sales, and that takes time.

What's more, nobody wants to be

bothered anymore. Once someone gets off work, he has other activities to attend to. The only way to see many individuals today is via their employers.

BS: WHAT DID YOU COLLECT IN VOLUNTARY BENEFIT PREMIUMS IN 2003?

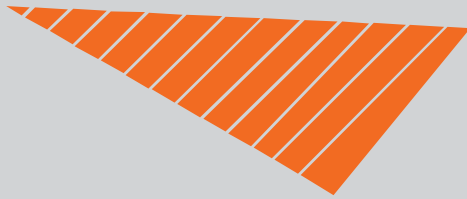
NC: About \$3 million. I really don't like to use premiums collected as a measure, though. I like to measure our success by the number of employees we hire and number of clients we serve.

BS: DO YOU PLAN TO RETIRE ANYTIME SOON?

NC: I'm 57 years old and I haven't even thought about retiring. I want to stay active as long as I can. ■

CEVA

CEVA BENEFITS GROUP



- *C – Communications
- *E – Enrollments
- *V – Voluntary Products
- *A – Administration

We **are** a National Distributor of Insurance Programs, Benefit Communications, and Enrollment Services.

We **work** with Brokers, Consultants, Agents, and Human Resource Departments.

We **provide** Printed Communications, Employer Videos, Internet, Intranet, Web Site, Kiosk, and Laptop Enrollments.

CEVA'S PURPOSE FOR YOU, THE BROKER!

- Represent superior organizations
- Offer a wide range of products and services
- Provide the latest in technology services
- Communicate comprehensive benefits programs
- Create outsourcing for human resources
- Solidify client relationships
- Create barriers to exit
- Provide national distribution for multi-state clients
- Strengthen marketplace positioning

Sample of CEVA's Marketing Partners

Aegon Companies
Aetna
Allstate
American Public Life
American Fidelity
AMS
Assurity Life
Blue Cross/Blue Shield
Boston Mutual
Columbia Mutual Life
Carrington International
Comp Benefits
Companion Life
FlexCorp Systems
Fortis
The G.E. Companies
Hand Benefits & Trust
Humana
Lincoln National
National Travelers
PacifiCare
Pacific Life
Safeguard Dental
Unicare/UNIQ Benefits Solutions
United Health Care
Unum
Zurich Kemper

Call us today!

(940) 686-1100

Toll Free (877) 241-2877