



Thought Leadership in Action for Life Insurance

The Psychology of Selling Life Insurance



Carlan Snipes
Pacific Life
Field Vice President
For the Broad Market
Southeast Region

Carlan.Snipes@PacificLife.com
(434) 444-1553

Broad Market Sales Desk
LynInternalSales@PacificLife.com
(888) 900-9777

It isn't possible to read a customer's mind to know exactly what they need or exactly what you can say to help them see how your product may solve their problem. But we're all human, and that means we respond predictably to certain stimuli. Using effective sales psychology can help you turn more leads into customers.

When selling life insurance, it's important to understand the role of psychology in both the buyer and the seller. Read on to unlock the psychological components of selling, buying, and marketing life insurance. We'll explain the psychology and provide examples that will give you the insight you need to help put yourself in the buyer's shoes.

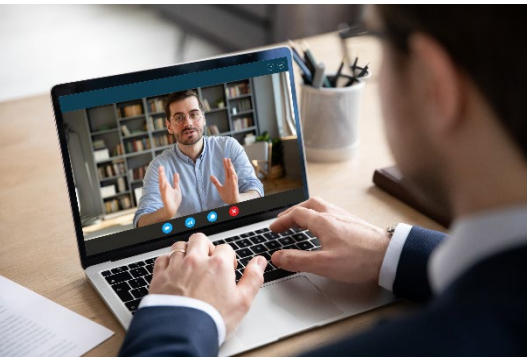
The Role of Psychology in the Buyer

Ninety-five percent of purchasing decisions are subconscious.¹ What kind of car do you drive? Which brand of shoes do you wear? Why did you buy them? Maybe the idea of owning those items made you feel confident, prepared, or some other adjective. The point is that people buy feelings, not things. Most buyers are less interested in a product's features than how it will make them feel. For example, when a security system salesperson comes to your door talking about recent crimes in your neighborhood, they're appealing to the emotion of fear.

The psychology of selling involves identifying not just the practical needs of the buyer like affordable coverage but also their pain points and deeper emotional needs. Individuals are motivated by different emotions, which is why it's important to be intuitive and a good listener. Putting yourself in your customer's shoes is an effective mindset to have when crafting your sales pitch.

¹ Chierotti, Logan. "Harvard Professor Says 95% of Purchasing Decisions Are Subconscious." Inc. March 26, 2018. <https://www.inc.com/logan-chierotti/harvard-professor-says-95-of-purchasing-decisions-are-subconscious.html>

The Role of Psychology in the Seller



The psychology of selling has a lot to do with the seller's mindset, so make sure you are focused on your goal. An important element in sales is the belief in your product. You can't fake a sincere appreciation for the coverage offered by a life insurance policy. Of course, you believe in the company or companies you represent, but talking about your own life insurance policy and how your family will benefit from it can help communicate your belief in the value to the buyer.

Another component of an effective mindset is expecting your prospect to say yes. It's not that you don't anticipate minor objections. Yes, you plan on overcoming a few speed bumps along the way. Still, your expectation throughout the pitch is that they will say yes by the end of the conversation. Visualize people buying the policy, and they often will—not because you have some mystical power, but because people have a natural tendency to do what is expected of them.

Tips for Selling More Insurance

Tell Them What's in It for Them

Buyers can be focused on their own situation and will generally want to know what's in it for them. Make your presentation all about the buyer, address their needs. Make an effort to use plain language and avoid using excessive jargon. Your knowledge of life insurance will come through as you sprinkle more details into your pitch, but your primary focus should be on the buyer. For example, explain how the policy can provide the customer with peace of mind and provide their loved ones with added protection.

Fear of Missing Out

We all know that creating a sense of urgency can be effective when trying to close a deal, and a strategic way to help create that urgency is by offering something for a limited time. If you think life insurance premiums will be going up soon, by all means, share that fact.

When you're shopping for a product on Amazon and see that there are only a few left, you're more likely to pull the trigger on that purchase. That's an example of fear of missing out, or "FOMO." Find ways to incorporate FOMO, and see if it helps improve your results.

Provide Social Proof

When that security system salesman came to your house, did he name several neighbors who'd already purchased the system? Even if you know the motive behind this obvious sales tactic, it's hard not to become more interested, knowing your favorite neighbor thought purchasing that particular system was a good idea. This is an example of the power of social proof. Social proof is a powerful way to build trust, which is why personal referrals are considered one of the strongest types of leads. It's also the reason why including customer testimonials on your website or social media platforms can be effective for marketing your services as an agent or broker. Be sure to follow your compliance guidelines before posting anything to social media.

“...turn features into benefits and satisfy their subconscious needs in the process.”

Avoid Acting Too Excited

No buyer is going to get excited if the seller seems bored, but too much enthusiasm can put a buyer on the defensive. Enthusiasm for your product is great, and it can even be contagious. But if you're acting over-the-top excited, the buyer may suspect you don't really mean it, or they might feel too pressured too soon to share your enthusiasm, which can make them wary.

And if your pitch is going well? That's certainly exciting but acting surprised or overly enthusiastic when things are going well can make your buyer second-guess. No matter how desperate you are to make a sale, avoid seeming too eager. After closing the deal, thank your customer, but remember that all you did was help them purchase something they needed.

Today's life insurance shoppers are savvy, but like all of us, they're susceptible to the power of psychology. You've been in the buyer's shoes, so leverage that experience to see things from their point of view. They need affordable coverage, so they may want to say yes, but first, they might want you to turn features into benefits and satisfy their subconscious needs in the process.

The primary purpose of life insurance is to protect the policy beneficiaries from the adverse financial consequences of the insured’s death.

Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.



THE POWER OF PACIFIC LIFE

At Pacific Life, putting customers first has allowed us to serve families and businesses successfully for over 150 years. As part of a mutual holding company structure, we have no publicly-traded stock, so we can focus on long-term strategies, financial strength, and the best interest of our policyowners.

You and your clients, our policyowners, are at the heart of the business decisions we make.



Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product/material availability and features may vary by state. Insurance products and their guarantees, including optional benefits and any crediting rates, are backed by the financial strength and claims paying ability of the issuing insurance company. Look to the strength of the life insurance company with regard to such guarantees as these guarantees are not backed by the broker dealer, insurance agency, or their affiliates from which products are purchased. Neither these entities nor their representatives make any representation or assurance regarding the claims paying ability of the life insurance company.

Life insurance is subject to underwriting and approval of the application and may incur monthly policy charges.

Pacific Life Insurance Company’s Home Office is located in Newport Beach, CA.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value