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Title: Target a Market to Reach the Top

Speaker(s): Marilou L. dela Cruz-Romero,  
LUTCF, RFC

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## **Target a Market to Reach the Top**

Marilou L. dela Cruz-Romero, LUTCF, RFC

I really appreciate you all coming here and it's a deep honor and privilege for me to be speaking to the great men and women of the industry. In fact, I feel like a student in front of my most accomplished teachers. And I couldn't imagine what I might still have to share with such a knowledgeable audience.

I'm sure you'll be glad to know that I will share with you about myself. I have been in the business for the past 29 years and 22 years of that I was a member of the Million Dollar Round Table, just a regular member. All through those years, I've always had an ambition to be at Top of the Table, just not an ordinary member. But there are so many things happening in my country. Maybe you've heard about the typhoon recently. There are so many catastrophes that really happened.

What I'm trying to say here is what I'm going to share with you this afternoon is something that will help you appreciate where we're coming from, the economic condition of the Philippines, so that you will also appreciate how I transitioned myself to target marketing. I hope you will find it useful.

Well, of course, I started building and growing my career initially just like you started, from individual prospecting. I started in 1981, a long time ago. I just really started with the individuals, entrepreneurs, business owners. In fact, I remember my first million. This was a couple with whom I ... in the marriage encounter. Associations with ... our ... also help a lot. I remember they gave me the break. They are entrepreneurs and business owners.

Because of my good relationship with them, that that has really helped me a lot to grow the business for the past so many years. Because of that, they have been my greatest centers of influence and, at the same time, they were the ones who really gave me 80 percent of my repeat sales and businesses, from these centers of influence because of my good rapport with them.

Individual prospecting, of course, which you and I have been there, up to this time I was also doing. I realized that I also had to go into the corporate market. And I had an opportunity when I started tapping the corporate market, because I knew it is a wholesale approach business. When I say that, I had this in mind: this radio station, the number one radio station in the Philippines, had this salary savings insurance. Do you have that back home? The financial protection, the premium was being deducted twice a month and they were able to have this salary reduction scheme. And because of that, I was able to also get the employees and their managers as well.

From there, I also got into key man insurance from this power generation company. Initially, I started with 15, but today I already have 50 of the key executives. There is a board resolution mandating them to get key man insurance of half a million pesos. Half a million pesos is nothing anymore, so I constantly upgrade them. Most of them went beyond that half million and get what is really necessary through my financial planning.

They also refer me to their clients, relatives and friends. That has really helped me to grow the business. So you see, through those years, I was very comfortable with the individual prospecting because, anyway, I was able make it to the Round Table. I realized that every year, every year in my life. Who among you here has a gratitude journal? Have you heard about that? A gratitude journal is something in which you write all your goals that have come true. Every January, I had all those things written down. But then I read "The Secret." It is a book that talks about the law of attraction.

Every day, since January 2008, I have been writing down my goals. And of course one of them was: "Thank you for my attendance at the special Top of the Table session in Indianapolis in June 2009." And that's what happened. I think what's happened here is God, through our failures and because of your burning desire to be able to really make it to the Top of the Table, allowed me to attract these people in this target market.

Initially, of course, protection is my starting point in selling life insurance. But, of course, I have focused on three concepts. First, I sell an income replacement program. Also, critical illness is the number one concept for me. Back home, medical treatment for dreaded diseases, like cancer, and bypass surgery really, really cost a fortune. Most of my clients and friends who do not have any coverage for this critical illness, really find it difficult to move on because expenses will amount to one to two million pesos. Some of them have even had to sell some property because of it. So I ... on this critical illness rider that I attach to the policy.

And lastly, because of the baby boom, I sell a retirement program. I belong to the Boomer generation, so I myself could feel that when I grow old, with inflation, I don't think what I have saved will really be enough. So for me to be able to convince my clients, I really have to show them first what I've got.

Those are the three aspects I really focus on. The three-in-one program I call it, one with income replacement, critical illness coverage, and a retirement program all in one policy.

One of the ways that I get modern-day corporate clients to get this three-in-one package is what I call the "walking retirement program." Yesterday during the sales idea session I talked about that. What is the walking retirement program? Basically the walking retirement program is a program that an employee or an executive brings with him, so that whenever he transfers to another company, he includes it in his package. So at the end of the day, he had already a full retirement program.

Let me share with you a client of mine, who I got about 20 years ago. He's a CEO of a company. He ran a telecommunication company and then a soft drink company. Wherever he goes, he makes sure that they have the greatest coverage. Guess what? When he reached 63, he needed a bypass. Because of the critical illness program, I was able to give him 1.5 million pesos. And, because of that, he was so happy that most of all his coverage and investments are with me.

So I'm sure you'd be glad to know the Philippines statistics. Let me discuss with you that there are about 90 million Filipinos, of whom one-third live below the poverty line. That's our statistics. And not only that, the average wage is about \$5 to \$8 a day, and the unemployment

rate is about 7.5 percent. Fifty percent of the population of the Philippines is under age 25. So it's difficult for me to work into their retirement program and market. A typical Filipino family would have three or four children, and significantly more in the rural sectors. The real wealth is heavily concentrated in less than 1 percent of the population. However, 8 to 10 million of the middle sector are overseas Filipino workers. This is a great number and it's really a market to tap. Why? We cannot sell these overseas workers to their host countries. There is a regulation that we cannot do that unless they come home. The insurance penetration is less than 10 percent. Actually, it's only 6 percent. Only 6 percent of the 90 million Filipinos is insured. So I have still about 84 percent, a very, very big market for that matter.

Of course, we have our own social security that provides an average of \$50 a month for pension and negligible death benefit. That's the situation in my country.

Basically, these things are our economic conditions plus, of course, the cultural aspects of it. Do you know that Filipinos are quite clannish? What do I mean by clannish? They believe in the dependency of the relatives to their work abroad, especially the overseas workers (OSW). The OSW remits about \$70 billion every year to provide for their Filipinos back home. The culture is, it's their responsibility to be the insurance providers for older people back home, in case they grow old, or their hair becomes gray, or become ill or pass away unexpectedly. So that's the culture, being clannish.

So I thought I should really shift to target marketing, because I realized that we have so much to do as insurance agents. Imagine 84 million Filipinos, the 94 percent of the population, is really a big thing to tap. So I thought to shift to target marketing.

I had associations, and I thought I should really hone my networking abilities on my association, with the Rotary Clubs, with marriage encounter, and for some services to companies as a whole, like the wholesome approach. And, of course, they started these, keeping the funds safe until the intended future need arises.

With my association with the medical market, I realized they are a market that is taken for granted. Who among you here have medical market as your target market? Isn't it difficult, at first, to penetrate? You have to really wait for your turn for the doctor to see you. But I was so fortunate to have my Rotary connection. Many Rotarians are medical practitioners. And, when they get to know you, they can refer you to other practitioners in the medical industry.

I remember my co-Rotarian who is now 78 years old. She did not have any retirement program. She had invested so much and there was no liquidity to come in. At 78, she still had to work. She is an Obstetrician. I felt so sad, because I wasn't there during her prime time. And that's the situation of the market back home.

I decided I'd like to make it my mission to offer financial wellness to the doctors in the medical market, as they can also provide my physical wellness in the process. When I did that. I reinvented myself. I changed from a retirement plan service provider and then really exerted greater efforts to reach out to more people. So whenever I talk to people or to my clients, I would

always ask, “Do you know anyone in the medical market?” or, “Do you know anyone in a hospital who can really help me penetrate?” So this is really what happened.

The majority of the Filipinos really do not plan for and consider retirement among their urgent priorities, considering that about 50 percent of the population is 25. Who would like to think about retirement when you are 25 years old? So for them it’s not a priority. And, of course, there is a Filipino law which mandates companies provide retirement plans for their workers.

Actually the requirement is about one month for every salary times the number of years of service. This is the useful practice. That’s also a similar practice in your country, I guess. So having this in mind, I said, “There is a law. Nobody has really tapped this specific market, retirement, because they might have their own retirement program in the company. But I don’t think it’s enough.” I know someone who retired from a government agency. She didn’t have any financial planner. Do you know what she did? She renovated her house. She bought a car. After three years all of her retirement money was gone. It’s really sad.

So I decided that I would like to make this my advocacy. What I learned from this is that, number one, for you to be able to really go into this market and study your niche, you have to study the demographics. Classify the markets, distinguish your target market, and align your assessment with your business purpose or mission. Since I have already decided that my market would be the medical market, all my efforts are geared toward this. But I have to tell you, it took me one and a half years of negotiation to do this.

One day, I had an opportunity from a very, very powerful center of influence of mine who told me there was a hospital that needed to enhance its existing retirement program. Their retirement program was being managed by a bank through the Provident plan, invested in the capital market. Because of the U.S. financial crisis in late 2008, management realized that they really needed something to be able to leverage with all the losses. With these negative yields, they opened the doors to other alternative funding vehicles. So I was able to come in. It took me one month to get to the decision-maker. It’s important we get to know who the decision-makers are. Under this account, the senior vice president for finance was the decision-maker and the one in charge of the investment planning.

After about one year of negotiations my company, I was able to collaborate a special program, which we called a group retirement program, that made them decide to transfer to us. For what reason? Number one, we give guaranteed rates. You see now with this, just like what the speaker this morning shared, we need guaranteed issue. So I was able to make a very, very good interest rate. We were able to make some arrangements with our investment actuarial division in our company to give them a good rate. Number two, if you are with a bank, normally there are no guarantees. They are placing in a capital market and they don’t have life insurance either.

Even before the ink on the policy had dried, a nurse had an accident and I had my first claim. So with this first claim, the management was so happy that they made the right decision. Because of that, they actually transferred 50 percent of their retirement plan. I didn’t ask for the whole thing, but that 50 percent presented about 100 million pesos that made me qualify for the Top of the Table. And the possibility is really enormous.

You see, what I closed was actually a group retirement program for the hospital base personnel, which means I haven't even touched a single doctor. So, I still have 600 doctors, who represent stakeholders, the consultants and the people studying in the hospital. On top of that, I also covered key man insurance for all the executives of the hospital. And, right now, because of the OSW market, we are continuing to discuss about presenting some kind of a package for the OSW we're in. This hospital will be the one to help me market to the OSWs. So, it's actually a partnership between my company and the medical CD which is my market. So that's how it started.

Going through this, it all came together that my advocacy of being able to really help the medical market has been reached because of this one initial hospital.

Right now, I am considering offering the same thing to another hospital. And so, my hands are full for me to be able to do this. What I do is if I don't know anyone in the hospital, I get what is called a reverse referral. Are you aware of that? Guy Baker, the MDRT President, shared this with us during his visit. He said, "If you don't know anyone, then try to find out who can refer you to this person." So what happened was I called the secretary of the vice president for finance, this is another hospital already, and inquired if he's a Rotarian. Since he is a Rotarian, it was easy for me to get through, because I am also a past president of the Rotary club. You see, your associations with this organization will really help you a lot going to this market.

Seize all the opportunities. Talk to people. Join groups. Choose a subject matter. In this case, the subject matter that I always talk about is the medical pension, because most of the doctors do not have retirement plans. Right now, I am talking to a president of this association wherein they are all doctors. Their main concern is they don't have retirement programs. They don't have enough life insurance. At the end of the day, he said, although their professional fees are free, 80 percent of the medical bills are not shouldered by the hospital, so they still have to take care of their long term care. So for me, having that in mind as the need, that will be my next focus. But my hands are full with all these associations as well.

I tried to just talk to different societies. I'm sure you have this also. I talk to the presidents and offered them the group insurance, group term or retirement programs.

Lastly, I realized that we have to really be prepared at all times by really continuing to refine our skills and improve our knowledge. And the greatest source of motivation must come from the heart. Why am I so passionate about this? Because I have that advocacy to share that beautiful mission.

This is a favorite quotation which I'd like to share with you. "Kindness is an inner desire that makes us do good things, even if we do not get anything in return." It is done with sincerity and comes from the heart. In life, you become trustworthy not for who you are nor from what you have, but from what others have because of you and your help. So keep on lifting little souls and make them as big as you are.

So lastly, let me end with this story. This is a story of a little boy. He had a sign that said: "I am blind, please help me." All the passersby didn't really give or didn't really notice him. This one man passed and put a lot of coins in his hat. This young man turned the sign around and wrote something on it. And he made sure the sign was placed in such a way that people would really see. After that, a lot of people were throwing coins in the hat. And the boy noticed. Later that day, this guy came along and the blind boy noticed that his footsteps the same as those of the man who had changed the sign and put the coins in beforehand. He asked, "What did you write on that sign?" And so the man said "Well, I said, 'Today is a beautiful day I cannot see.'"

So in the same manner with our business, sometimes we are blind to a lot of opportunities around us. They are just there. It also teaches us to be more creative, to be more responsive and maybe work from the heart. So with that, I hope you enjoy the afternoon. I am ready for some questions.

Q. I just want to know what is your ... premiums come in.

A. You mean my persistency? [yes] Are you talking about this group retirement program? It's actually an investment plan that they put with my company. Since I just had it last year, I don't see any problem with persistency. And the one who is paying for this is actually the hospital itself.

I forgot to mention that I also started a salary savings insurance for all the managers and employees. And I have about 50 people who have signed up already. This is the monthly deduction plan. So you see, what I did was just really the tip of the iceberg. I still have a plan of things to be able to cultivate and to be able to service. I realize that 2,000 employees is a different thing, with the OTWs and the different doctors servicing the hospital.

Q. Could you help us understand how important that concept of the law of attraction was that you mentioned? And how much time did you spend on that a day?

A. Is that okay with you? Since it's a question. The law of attraction, I learned about this through "The Secret." There is a book called "The Secret," and, in that, we are taught to have a grateful journal. In that grateful journal, I write down, every day, all the things that I'd like to happen in my life. I list 10 to 20 things. Then, every time one of the things on my list happens, I cross it off and replace it with another one. And it's amazing. In that journal I've been saying thank you for my good health and for my perfect body, those things. Thank you for the good relationship with my children. And you see, I realized that because I said it every day, it's just like a prayer. But I always thank the Lord for this beautiful day. And I called that my grateful journal. So, wherever I am, I bring it with me. In fact, I have it with me here. Just this morning, I just said, "Thank you, Lord, for this opportunity to be able to share and I know a lot of people will be able to get something out of this sharing." I hope I have been very effective for you, as I wrote down in my grateful journal.

I think it's also important that I visualize every day that I'm talking to you with so much confidence and that all of us are sharing with each other. Very casual, if you know notice, I'm just really sitting here because I thought I would just share with all of you as if I'm sharing with a client or with a friend. I think that's even more tranquil and no big deal.

Q. Did you say you had never made the Top of the Table before you starting using the law of attraction?

A. Yes.

Q. Did I understand you right? Are you saying you made the Top of the Table because of the law of attraction?

A. I would like to consider that preparation, plus the visualization, and of course the planning and all about it. It all came together. I realize that the law of attraction was there, because I got the right person to refer me to. I got the people to help me also, to collaborate in the negotiation. And I guess it just really takes time. It didn't happen immediately. In fact, it took me one and a half years to be able to close the deal. But I believe that most of the things that I wrote there, most of them have been replaced already with another thing.

I'll show you just on the personal side. I had this relationship for quite some time and I mentioned there I am walking down the aisle feeling sexy and good. And that really happened in the same year. And made it to the Top of the Table. Don't you think that's a bonus? And that's really true.

I also wanted to have our house renovated. And I just said there I am so happy, thank you for this beautiful house renovation and I also did it in the same year. I couldn't explain it, but I guess everything is just really falling into place. I believe God has something to do with it because I believe that life is so beautiful. We have this law of abundance and I believe that we can all be like that as long as we believe and have great.

Q. Marilou and my wife and I have a lot in common. Both of us come from the Philippines. Our target markets are also the doctors. As she was talking about gratitude and kindness, I have also memorized the lines before I ask the question. About gratitude, thank God for the things that you have. Trust God for the things that you do not have. Kindness is an act that is never given away, for the very act is the giver's greatest reward. Just helping and just being kind, that is your greatest reward. My question is how do you guarantee the return on the pension of the MD pension plan for the doctors? Do you have a product like that?

A. Yes, we do have a product back home wherein he has to pay for five years and then there is a waiting period of two years and, on the eighth year, after the 15<sup>th</sup> year. It's actually a 15-year endowment. Basically, if you pay about \$1.2 million, you get about two million, less dividends. So there is the guarantee. We have the product back home.

Q. That is basically good for what age group? 45 to 50?

A. It's open to all from zero age to 75. Yes, specifically for retirement and this is guarantee, tax-free.

Q. ...

A. The guarantee is about 4.5 to 6 percent depending on your age. I have that because I believe if I have to sell something I have to show it to my clients as well. So now, because I am 57 and in a few years time I will be retiring, I have to really start something like that.

Q. ...

A. It is actually planned, because of my experience with the medical practitioners. I said it's my advocacy because I realized the need, based on my friends. They didn't have any protection. They didn't have any retirement program. They didn't have any long term care. I can provide for it. So, I thought, the medical doctors are really taken for granted for the simple reason that, during their prime time, they really earn enough. Sometimes it's so difficult to get through to them. Just to fall in line and wait for your turn. It's so difficult unless you will get a very good referral wherein he will really entertain you. I have quite a number of doctors already, but I was able to get through to them because of relationships with other doctors as well.

It is difficult initially. But once you have penetrated this market, number one, they have the money. Number two, they don't care about interest rates. What they really care about is that they have something guaranteed at the end of the day. So for me I work in that. The good thing is that what I close is just really the tip of the iceberg, because it's just the hospital-based personnel. If there is any opportunity that is open to you, then just grab it. That retirement program is paid for by the hospital, not by the employees. It's 100 percent contributed by the employer. That really made a lot of difference. It's about PHP 140 million in pesos in a retirement program, and that's only 50 percent of their retirement plan. I still have another 50 percent to work on.

Q. ...

A. Yes, yes, they are qualified. Defined contribution benefit, yes.

Q. Is it deductible for the hospital?

A. Yes.

Q. And now the little story. I'm sorry I missed your first one, but I came at the spiritual part, which is very compelling. Let me tell you a little bit of how I perceive this. I grew up in Israel and I came to the United States in 2001. The combination, in California, of quitting smoking with eating the American diet, got me 15 to 20 pounds every year, and a pill every year as well.

In May this year, 4½ months ago, I was visiting my parents in Israel with my new wife. I brought a picture of me at the age of 19 or 20. I didn't remember. I was in denial. Not in Egypt, in denial here. When I saw the photo, my photo from age 19 or 20, it hit me. I looked in the mirror and I said, "Who's this guy?" I brought the photo back. Instead of writing in a diary, I kept looking at the photo. It took 4½ months, 54 pounds.

Q. How did you do it?

A. Now what I did was I swept my wife into it. When she saw how this was working and she went to one of the support meetings. This is through my doctor, so this is tied to the doctors. It's about doctors. She came with me and she actually became the coach on a program. So now it's a career for her to actually help other people. All that because of that photo of myself at Hanukah at 19.

Q. You're so special.

A. Thank you. Thank you. I really appreciate it.

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**Marilou L. dela Cruz-Romero, LUTCF, RFC** is a 22-year member of MDRT with one Top of the Table qualification. In 1996, Dela Cruz-Romero was the first MDRT member outside of the United States to become a Divisional Vice President and serve on MDRT's Management Council. She also spoke on Main Platform at the 1996 MDRT Annual Meeting. In 1991, she served as president of the Life Underwriters Association of the Philippines.

Insular Life Building  
6781 Ayala Avenue, 2nd Floor  
Makati, Philippines  
Phone: +63 2 8193776  
Fax: +63 2 8404044  
E-mail: malou\_associates@yahoo.com