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**Spring Into Action - Now is the time!**

Spring 2009

**Focus on Guarantees ... 2009 trends**

Inside this issue:

In uncertain times people crave stability. The current market performance has pushed people towards old fashioned guarantees.



You can provide guarantees with many different products you sell. 2009 has brought about massive changes in the way

insurance is sold and the composition of what products are sold. Companies are announcing changes in all product lines.

**Term insurance:**

Some companies are **increasing** the **rates** on 30 year term and ROP policies while others are limiting the death benefit and a few others are pulling the product completely. It is important for your clients to know that they might have a limited choice of term products in the future so the time to act might be now.

**Universal Life :**

In 2007 and 2008 several companies introduced 2001 CSO compliant ULs with lifetime no lapse guarantees. Due to the current liquidity crisis and

the heavy reserving requirement of guaranteed products, some companies are limiting the products that are available for conversions. Will companies do away with some of the long term guaranteed products?

**Whole Life:**

Many of our agents have said that their clients that purchased whole life policies with 4% guaranteed interest crediting are happy they have those policies. For whole life policies with mutual companies that have been able to declare a dividend, its icing on the cake.

**Annuities:**

Multi year Guarantee Annuities have become extremely popular as CD alternatives, 401k rollovers, variable annuity rollovers etc. Companies are getting so much business that they are suspending sales to limit the amount of premium they will take. Slumping Variable Annuity sales and increase in product pricing presents an additional opportunity to either replace those policies or sell new ones.

**Long term Care:**

LTC policies have been the least

Are you recession Proof?	2
Selling SPIA's with added flexibility	2
Don't Have your client ask you...	3
Product Tidbits	3
Partnership to help you increase sales	4

avored product right now but the need is even greater due to the baby boom generation starting to retire. Companies are introducing Life and LTC combo policies to fill this need.

Want more sales? The key is to examine all policies that your clients have or need, to keep their loved ones from financial distress upon their death, and to ask them to buy now!

## How do you recession proof yourself?

A recent article I read was giving out tips to professionals on how to recession proof themselves. Most of the tips were not new but stuff you have heard before and remain true for all times whether we are in a recession or not.

The tenets of a true profes-

sional are:

1. Provide information and educate the client To do this effectively, you must educate yourself about the industry and the economy. Keeping your client informed is the key
2. Do you bring your A game

to work everyday?

3. Make sacrifices today for a better tomorrow
  4. Stay focused and committed to providing the best value to your clients
  5. Think about your client first
- Make a plan and stick to it!

**“GAIN the Freedom to Sell the Best and Earn the Most”**

## Selling just any SPIA? Give your client the flexibility of Advance Access!

With Symetra income annuities, your clients have a way to help secure guaranteed income and still maintain flexibility and control with their money. The Advance Access feature provides clients access to a portion of their future scheduled payments.

**How much money can be accessed?** Advance Access allows clients to take up to 30% of the value of future payments. The minimum amount allowed is \$5,000.

**How is the value of future payments determined?** The value of future payments is determined using a present value calculation. This takes into account the number of future expected payments as well as any changes in the market. The number of future expected payments will either be the “certain” payments in a period certain payout, or based on life expectancy in life contingent payouts.

**What is the impact to future annuity payments?** Remaining payments are reduced by the same percentage the client elects to take as a lump sum. For example, if the original annuity payment is \$1,000 per month and the annuity owner requests a lump sum payment of 25 percent, annuity payments will continue at 75 percent of \$1,000 or, \$750 per month.

**How often can clients request**

**funds?** Clients can request funds as often as every 36 months. Requests do not need to be made in a specific payout year and there is no limitation as to how many requests can be made. (The \$5,000 minimum amount just needs to be met).

**Is this feature restricted to specific types of annuity payouts or situations?** The Advance Access feature is available for all payout types — period certain and life contingent payouts. Contract fund types may be qualified (pre-tax) or nonqualified (after-tax). There are no underwriting requirements or age restrictions, but clients should be aware of a potential 10 percent federal tax penalty when requesting funds before age 59½.<sup>1</sup>

**How do clients select the Advance Access feature for their annuity contract? Is there a cost associated with this feature?** Advance Access is a partial commutation endorsement, automatically included with all income annuity contracts. This feature is included at no additional cost to the client and does not impact Symetra’s competitive annuity pricing.

**Does the Advance Access feature apply to old annuity contracts?** The Advance Access feature is not retroactive; it applies only to contracts issued on or after January 15, 2007.

**Is Advance Access available in all**

**states?** No, the Advance Access feature is subject to state approval and is not yet available in all states.

**What is the tax treatment on lump sum amounts?** Qualified contracts: Annuity payments and lump sum amounts are 100 percent taxable. Nonqualified contracts in a deferral period<sup>2</sup>: Lump sum amounts are fully taxable up to and including the taxable “growth” amount of the annuity.

• Nonqualified contracts in payout: Lump sum amounts are subject to income tax, but the taxable portion will depend on the amount of remaining cost basis (un-recovered investment) in the contract and the requested lump sum amount.

**Will agent and advisor compensation amounts change as a result of offering Advance Access?** No, the Advance Access feature does not impact compensation for agents and advisors.

1 Clients should consult a tax advisor for more information.

2 Applies to Symetra Freedom Income Annuity or Symetra Advantage Income Annuity. Guarantees and benefits are subject to the claims-paying ability of the underlying insurance company.

**Please call GAIN today for a quote on a SPIA with this feature.**

**(800) 847-6426**

## Where Were You When We Needed You?



*Daddy, what did YOU do in the Great War?*

- *Banks were failing.*
- *The stock market had plunged*
- *People were losing their homes*
- *We were worried about losing our insurance at work*
- *We were worried about losing our retirement nest egg*
- *We were looking for guaranteed returns and guarantee of principal*

***We needed reassurance!***

***We needed a safe place  
for our money!***

**Don't have your clients ask later on**

***"Where were you when we needed Guarantees?"***

We offer guaranteed life insurance solutions.

We also offer guaranteed fixed annuities with guaranteed income!

***Call (800) 847-6426 today!***

## Product Tid Bits...

### **North American**

Is selling the cheapest term always the best for your client? What are you giving up? Have you looked at ADDvantage Term from North American?

The no cost Additional Insurance Option rider allows an insured to buy additional in-

surance in the first 3 policy years without proving insurability and pays the agent full new business commission if the original policy was issued preferred or better. The premiums would be locked in at the younger age.

### **West Coast Life**

Have you quoted Income Re-

placement term? If not you are possibly costing your clients an additional 7-40% more in term premiums.

According to LIMRA International's Survey "Finding New Customers", 66% of Americans purchase life insurance to replace income so why not sell them a policy that just does that.

# GENERAL AGENTS INSURANCE NETWORK

Ask about  
“Refer an  
Agent”  
Bonus

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online statuses and  
contracting

## Introducing a new partnership program through webinars

GAIN has set up a new partnership program to help you take your practice to a new level. Please examine a few questions below:

- Have you wondered how those high dollar permanent cases are written?
- Do you want to be able to tackle the more advanced estate planning and business buy sell planning cases?
- Do you wish you were working with a team of people that can help you prepare pro-

fessional client presentations for your client?

- Would you like to make sure experts have looked at your concepts and solutions and helped to tweak it before you go into the clients' office so that they know they are dealing with a professional?
- Do you want to be able to show your clients the gaps in coverage they might have that would automatically lead to new sales opportunities?
- Are you willing to look

through your book of business and identify a group of clients that fit a profile given?

- Are you willing to follow through meeting with your clients for whom reports and presentations have been created?

If you answered yes to any of the questions listed, you should join us for the first Webinar on April 2, 2009 at 2.00 pm CDT.

**Please call GAIN at (800) 847-6426 to register for this or future webinars.**