

From the Brokerage Manager's corner....

General Agents Insurance Network (GAIN)

Sales ideas for ROP Term market

What is an ROP term?

Very simply put, when the client purchases Return of Premium (ROP) term, the face amount is paid out to the beneficiary in case of death or the premiums are paid back to the client if he/she outlives the term period.

This is a win-win situation for the client. Agreed, the premiums will be higher than the basic term policy. Yet, the possibility of getting all premiums paid back when the term is up, if client outlives the policy term is an appeal hard to miss.

- If your client is purchasing a term policy to provide children with educational expenses in case of death of parent/s, talk to them about ROP term which will provide lump sum to children in case of parent's death or will provide lump sum to parents at the end of the term and this can be used to pay off college loan/s.
- If your client has to purchase an insurance policy as per a divorce settlement, talk about the benefit of providing for the ex

partner/children in case of death as well as possibility of getting all money back if client survives the policy's term. A lot of my agents tell me this is a sure winner!

- If your client wants to purchase just enough face amount to cover mortgage balance, talk about the possibility of ROP.
- If your client wants to purchase term on the key employee's life to provide for immediate business expenses due to loss of key employee, talk about possibility of ROP.
- If your client wants term insurance to cover debt/s, talk about possibility of ROP.

Call us at 800-847-6426
to discuss your case.

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Inside this issue:

Underwriting LTC cases.	2
Selling Rated Cases.	3
GAIN Resources	3

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It is a 1 page application (yeah!!) from an A+ rated carrier!

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Underwriting Long Term Care (LTC) Cases.

A LTC case is underwritten differently than a life insurance case. It should not be surprising to many that a client could be eligible for life insurance coverage but could be declined for a LTC policy.

Usually, the client does not have to complete a paramed or MD exam after signing the application. The underwriter at his/her discretion may require the client to complete one.

The two important requirements for LTC underwriting are

1. APS- is required from the primary care physician (PCP) consulted within the last two-three years. If there is more than one PCP, an APS may be required from each PCP. An APS is mandatory if the client has consulted a specialist in the past 2-3 years for medical conditions such as cancer, heart disease, diabetes, etc.

2. Personal health interview- this is based on underwriter's discretion and is required mostly for clients over age 70 (age criteria might differ based on individual carrier guidelines). The purpose of the interview is to gather information regarding client's current functionality and cognitive abilities.

The below factors are given importance in LTC underwriting:

- Ability to perform the Activities of Daily Living (ADLs) - eating, bathing, dressing, toileting, transferring (walking) and continence.

- Ability to perform the Instrumental Activities of Daily Living (IADLs) - money management, shopping, preparing meal/s, etc.

- Multiple medical problems which, in combination, are more significant than each problem alone-For example, diabetes in combination with heart disease.

- Multiple medications which may have cumulative effects.

- Medical history that may indicate a loss of independence or need for care- arthritis, falls, fractures, etc.

- Is the client maintaining personal independence by working, either full or part-time, participating in hobbies and outside activities, driving, etc?

Before taking a LTC application, the agent should observe the client in his/her surroundings and use the carrier published uninsurable conditions list as a prequalifier. If client passes the list, then the above factors should be considered in qualifying the client for LTC coverage.

Call GAIN at 800-847-6426 to get trained on writing LTC cases or if you need help with a potential case, talk to Poornima.

Selling rated cases....

Every time an agent submits an application, it is with the intention that the case is approved as applied for. The placement of the policy will be much easier if there are no surprises in terms of approval and premium quoted to a client during the sales process.

Agents and agencies should be concerned about placement ratios, simply put, the ratio of applications submitted to cases placed. An agent is called a field underwriter because he/she is the 1st point of contact with the client.

He/she is in a position of assessing the client's risk profile and then presenting a relevant quote. This process

of field underwriting will keep surprises to the minimum as any objections to the quoted class and rate are overcome during the sales process.

It is suggested that the agent keep a chart of underwriting guidelines and match client's answers to the underwriting class parameters. If the client does not qualify for preferred or better class, the client views the reason in print.

Let us think of a scenario where surprises could not be avoided. The question then is "what are the options?" **Firstly, the sales process has to be repeated.** If the client's premium affordability is known from initial discussions, it is suggested

to discuss alternate plan/s with the client.

Alternate plans:

- For term plans, discuss plans with reduced face amounts and or different term length/s.
- For permanent plans, discuss reducing the premium and its effect on plan performance (this might not suit client's needs) or getting a term policy issued with convertibility option (a purely temporary solution due to premium consideration).

****Please note that this is a sales idea and might not be suitable for all clients.**

Call Poornima at 800-847-6426 to discuss your case today!

-24/7 Quotes, Applications, Company/Product Information

-Free NAILBA underwriting guide

-“GAIN Think about this” resources

-Online contracting

-Lead Reimbursement Program

-Link to order exams/labs for your client

-Download Carrier Software

- Do you need help with periodic review of your client's insurance portfolio?
- Do you know how your client's family history can affect his/her insurability?
- Have you heard of paid up policies for funding college expenses?
- Heard of an single premium immediate annuity funding a life insurance policy?
- Heard of a second to die term?
- Have you heard of getting paid 1st year commissions two years in a row?

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