

From the Brokerage Manager's corner....

General Agents Insurance Network (GAIN)

Do you spend 2 hours in a week reading insurance updates?

It is widely known and accepted that "**knowledge is power**". The life insurance industry is a dynamic place and the key to success is to keep abreast of the latest companies, products and general happenings.

It is easy to say "I just don't have the time....." The question is "Do you want to lose clients because of lack of knowledge?"

Yes, this can happen. Joe, an insurance agent showed an illustration from company X to his client using product A. He has known the client for about 8 years and has a great relationship with the client. The client liked the illustration and filled out an application. Joe submitted the application to his brokerage agency for processing. He then received a call from an agency staffer who informed him that product A was withdrawn from the market 2 months ago and the application could not be processed. Can you imagine Joe's plight? Or yet, want to be in his position!! Joe gathered courage and went to his client with the update and tried selling an alternate product. This time, the client said "let me think about this" and did not get back to Joe. Joe later learnt that the client purchased a policy from another agent.

Some people might think "maybe Joe did not have a great relationship with his client...that is why the client moved to another agent" or yet "oh! This might just be a one off thing...just pure bad luck".

The premium for the case was \$9,235. Joe not only lost the opportunity for a good sale but also a long time client/friend who might have decided Joe is not competent enough to earn his business.

Resources to use:

- Industry Journals
- Peer to peer conversations
- Agency updates/newsletters, etc
- Company websites and or mailers, etc.

24 hours in a day.....

168 hours in a week.....

2 hours to gain knowledge, power and business? Absolutely worth it.

You can count on GAIN for periodic and relevant updates!

Summer 2007

Volume 1, Issue 1

Inside this issue:

Buy Sell arrangements.	2
Product Spotlight.	3
GAIN Resources	3

Use Tele Life for your term business

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

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Are you talking with your small business clients about Buy Sell arrangements?

Many small businesses do not continue after the first generation of owners due to lack of succession planning.

As an insurance agent, you could talk to them about “Buy-Sell arrangements”.

What is this?

This is an arrangement for the sale of a business interest upon the owner's death, disability, or retirement.

To facilitate continuation of the business, the buy-sell arrangement should be well-drafted and properly funded.

How does this work?

Depending on the number of owners and business structure, you could suggest

- an entity purchase arrangement— company buys out its deceased owners
- a cross-purchase arrangement- owner buys out each other.

Where does life insurance fit in?

Small businesses usually are more concerned about the cash flow problems. One partner might not be able to save enough to buy out another partner's shares. Life insurance is generally cost effective, provides predictable amount of cash upon death or in some cases, policy's cash values might be enough to fund a buy-out prior to death.

Bill and John are partners in your local bakery. They both agree that in the event of an unfortunate event happening to either of them, they would like the business to continue. They enter into a cross purchase buy-sell arrangement and fund it with life insurance. Each is the owner and beneficiary of the policy on the other. John, unexpectedly dies in a car accident. Per their agreement, Bill uses the life insurance proceeds to buy John's share of the business and the business continues. John's family is also helped with the cash they receive from Bill.

You can help with succession planning by talking about some of the benefits of a buy-sell arrangement to your client:

1. guaranteed buyer for the business
2. liquidity is created
3. value of business is fixed and
4. harmony is maintained in a difficult time.

Where to start?

- Local coffee shop
- Your dry cleaner
- Your local car repair shop
- Convenience store down your street
- Hairdressing salon you visit
- Any mom and pop small businesses.....

Call GAIN at 800-847-6426 and talk to Poornima if you need help with a potential case.

Visit www.gain1776.com

GAIN Product Spotlight

ANNUITY SPOTLIGHT

North American

Income:

- Excellent SPIA payout.
- 8 different settlement options including cash and installment refunds.
- Issue Ages: 0-85 with life contingency and 0-95 for period certain only (5-20years).
- Minimum premium is \$2,000 qualified and \$10,000 non qualified.
- Strength of A+ rated company (A.M Best)!

LIFE SPOTLIGHT

AIG Select A Term:

- In addition to the traditional 10-, 15-, 20- and 30-year term periods, now your clients can select 12-, 16-, 17-, 18-, 19-, 21-, 22-, 23-, 24-,

25-, 26-, 27-, 28- and 29-year term periods. That's a new standard for meeting your clients' needs - flexibility no one else offers.

- Minimum Face amount of \$250,000.
- Extended issue ages- Clients age 55 and above may now be able to obtain coverage into their mid 80s.

LTC SPOTLIGHT

John Hancock Leading Edge:

- Innovative product with built in benefits of automatic compound inflation linked to CPI, Caregiver Support Services to help policyholders manage the care of aging parents and relatives and Expanded home health care

services, including Total Homemaker Services and independent home health care (*provider qualification is not required*).

- Daily Benefit Options: \$50–500 per day benefit is available, in \$10 increments
- Monthly Benefit Options: \$1,500–\$15,000 per month benefit is available, in \$100 increments.
- 10 pay and paid up at age 65 payment options available in states where approved.

Highlights are mentioned in above piece. Call us for detailed product information including state approvals and underwriting information.

- **24/7 Quotes, Applications, Company/Product Information**
- **Check case status online**
- Free NAILBA underwriting guide
- Online and printable Impaired risk questionnaires
- "GAIN Think about this" resources and Brainshark product presentations
- Online contracting
- Link to order exams/labs for your client and complete mandatory AML training
- Lead Reimbursement Program
- Resource guide-great reference for new agents and refresher for experienced agents.
- Download Carrier Software and much more on our website!

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*Please call me at 800-
847-6426 or 512-989-
2223 to discuss how
GAIN can value add to
your business!*

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