



From All of Us



Winter 2007

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Are your senior clients worried about outliving their retirement nest egg? Suggest a Split Annuity!

A "split annuity" is a combination of two annuity products – a single premium immediate annuity and a single-premium tax deferred annuity. The immediate annuity provides an immediate guaranteed income for a period of time (generally 6 to 10 years) and the deferred annuity accumulates interest to generate the original principal at the end of that time period. The amount of the income will depend upon the amount of money available for the split, the time period for which the desired income is paid and the current interest rates.

Benefit of the "Split Annuity" concept to your client:

A. Guaranteed Income – Immediate annuity portion

- > Safe, Predictable and Guaranteed cash flow
- > Tax-Advantaged income
- > Flexible

B. Guaranteed Principal Preservation – Deferred annuity portion

- > Growth of principal due to competitive interest rate
- > Accessibility to principal, if needed
- > Guaranteed
- > Tax-deferred growth

Example: You have a conservative client whose retirement objective is dependable source of income, principal preservation and death benefit protection. Here's how \$100,000 would perform in a Presidential Life Split Annuity:

A. SPIA premium

\$23,868

Guaranteed

Monthly income for 6 years

\$361.35- \$10.45 in taxes

(Assuming 35% tax bracket and 91.74% exclusion ratio)

= \$350.90 per month income

B. SPDA premium

\$76,132

Guaranteed

6 years tax deferred Accumulation will grow back to **\$100,000 at the end of year 6.**

(4.65% guaranteed for 6 years)

Please note that the above is a sales concept and financial advisors are not tax experts. Please advise your client/s to consult a tax advisor to understand the implications of implementing this concept.

Courtesy: Poornima PL's Think about this

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“GAIN by doing business with GAIN”.

Do you have clients that have Trust Owned Life Insurance Policies?

Is it time for a Policy Review?
In the last 10 years, dramatic **changes** have taken place in the laws for **managing trust assets**. Over 40 states have adopted the **Uniform Prudent Investor Act (UPIA)**. Trustees are now required to review the trust investments to **ensure best Return on Investment** for beneficiaries. Trustees must create an Investment Policy Statement (IPS) that has a formal plan in ALL states but six – Alabama, Delaware, Georgia, Kentucky, Louisiana and Mississippi. The old **“buy and hold”** strategy **will not work** anymore. Trustees can't JUST keep the policy until the insured dies – they must review it

regularly and look for any new life insurance products that provide more benefits to the trust beneficiaries. That's where you step in.

Reasons for a Change:

- * Underperforming contracts
- * The in-force ledger shows that the policy will continue to under perform
- * Changes in a client's situation
- * Reduced insurer ratings or mergers / sale of the insurer
- * Policies with higher COI charges and based on older CSO Tables
- * Availability of new generation of life insurance products.

* A policy that is scheduled for a jump in premium that the trust cannot afford or the client is unable to gift

Look out for.....

- * A new policy might result in a significant loss of coverage from the existing life insurance policy
- * Loss of benefits from existing contract
- * Change in client's health and age
- * New contestability period and new surrender charge period

Do you focus on Women for Insurance Sales?

Fact #1: Women make up 51% of the US population.

Fact #2: 142 million are in the age group 20-54 which is considered the prime years for buying life insurance.

Fact #3: Only 40% of women own a life insurance policy and just 36% have coverage through employment, much lesser than their male counterparts in both cases.

Fact #4: Those with coverage

are mostly under insured in proportion to their annual income.

Fact #5: In most households, women are the key decision makers when purchasing a life insurance policy.

(Courtesy: Research conducted by LIMRA and LIFE)

What does this say to you?

- Ask your male client about coverage for his spouse.

➤ Visit your current women clients about buying additional insurance if there has been a change in their income.

➤ Remind the spouses of your affluent clients the need for survivorship insurance since their children will end up owing a lot of money in estate taxes.

➤ Ask your women clients if they want to buy a LTC policy for their parents.

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Did you know that GAIN offers the following too?

- Very competitive Annuity Portfolio consisting of MYGAs, Indexed Annuities and SPIA
- Impaired risk SPIAs that give higher payouts to your clients and SPIAs to age 99
- Very competitive Indexed Universal Life policies
- Lowest cost term to age 121..... Call us to find out
- Excellent companies for Long Term Care and Critical Illness
- Simplified issue, Guaranteed Issue and Graded Benefit policies
- Bonuses plus excellent street level commissions on our core carriers
- Time saving online contracting; No more filling out the same information again and again
- 24/7 secure access to case statuses for all applications submitted through GAIN
- Excellent sales ideas and resources on our website

Critical Illness Sales Ideas.....

Ask your existing clients these questions:

Mortgage Protection - Would you be able to pay for the mortgage if you had a major illness and survived but were never able to work again? Would you like to receive a lump sum upon diagnosis whether you are able to work or not so that you can make the payments or pay off the mortgage?

Buy-Sell - You have already purchased life insurance as part of a business buy sell agreement to buy out your partner if he dies. What if he becomes critically ill and/or totally disabled and never able to work?

Health Insurance Combo Sale - Would you like to cover the gaps of health insurance such as deductibles, co-pays, experimental procedures, non-medical expenses such as vehicle and home modifications

in addition to helping pay all the regular on-going bills? Would you like to receive a lump sum upon diagnosis or occurrence of a critical illness?

Singles - Who will take care of you if you are totally disabled or diagnosed with a critical illness? Where will the funds come from to secure the outside care and assistance needed?

Disability Supplement - On your disability policy you have a 3 month period where you don't get anything upon being disabled. How would you take care of the bills and household for that period if you have become disabled? Would you like to receive a lump sum to keep the household afloat until the DI kicks in?

Housewives - If your spouse were to become critically ill will you be able to hire a home health care worker or more importantly be able to take off

from work to take care of your spouse? Would you like to receive a lump sum upon such diagnosis to pay the health care worker and/or replace the lost wages?

Self-Employed - Do you have a large amount of business debt? The continued success of the business requires your on-going contributions. If you became critically ill, would you like to receive a lump sum, so that you can continue to pay your employees, hire temporary talent and retire business debt?

This Coverage is a wonderful compliment to existing coverage like health insurance, disability income and life insurance. Go first to the people you know, the people who've demonstrated they trust you by already buying from you!

Call Today for a quote!

(800) 847-6426

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Look no further for resources....

- Have you talked to your client about a return of premium policy/cash value term?
- Have you compared a Treasury linked Annuity that has the upside potential and no downside risk?
- Have you looked at the traditional participating whole life policies lately?
- Would you like to build renewals into your Annuity Sales?
- Have you heard of getting paid 1st year commissions two years in a row?
- Heard of a legacy maximization?
- Do you need help with advanced marketing concepts/ Client presentations/ Promotional materials...?

Talk to a GAIN Associate today!

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“GAIN by doing business with GAIN”

Do you write Annuities?

Ask about the **\$100**
annuity bonus on client oriented
policies!

Do you want to simplify the
application process for your
clients and get paid for it?

Ask about the **\$50** bonus on a
very competitive term policy!

**Ask a GAIN Associate about
our Core Carrier Bonuses!**