

July 2010

\$ales Idea

ROP Term Policies: Satisfying Two Needs

The idea of buying individual level term coverage to retirement is becoming increasingly popular. However, the need for life insurance doesn't go away completely for everyone at retirement. Many consumers of term insurance are realizing that they still have a need for life insurance. The amount of insurance may not be as significant, but it is still a need. This existing need lies in "final expense" life insurance.

Return of premium (ROP) term products are excellent products to recommend to your clients as they cover both needs: income replacement until retirement for the beneficiary and final expense coverage after retirement. In addition to this, ROP products also provide term coverage to retirement, plus the return of all base premiums paid if the insured survives and maintains the policy after the term period has ended.

One way to make the most of the return of premium benefit is to take advantage of the reduced paid-up option (RPU). This option allows the owner of the policy to take a reduced paid-up death benefit to age 95 instead of the cash value. This can be done at any time when the policy has a cash value. Though this option gives less coverage than the original policy, it is usually enough for final expense needs. The best time to elect the RPU option is when the cash value reaches its peak value, which is at the end of the level premium period.

If a client purchases an ROP term policy with coverage until retirement, he/she has four options when retirement is reached:

1. End the policy and take the return of premium benefit in cash to use for retirement. Under current laws, the return of premium benefit is income tax-free.
2. Take the return of premium benefit in cash and keep the full death benefit in force at annual renewable term (ART) rates.
3. Take the return of premium benefit in cash and change the policy to an allowable permanent plan. This can be done if the client is age 70 or younger. (The return of premium can be used to help pay for the first premium.)
4. Put into action the RPU option, using the return of premium cash value to purchase a reduced amount of paid-up death protection to age 95.

In short, when selling ROP term policies, make sure you are selling the whole package. By purchasing one plan, your client can satisfy two needs: protecting his/her family until retirement and paying for final expenses after retirement.

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Upcoming TMA Market Development Meetings

Spring/Summer Series:

Developing Premium from P & C Agencies

Host: Symetra Financial
Date: July 15-16, 2010
September 21-22, 2010

Product Matters

Upcoming Webinars

MetLife

Date: July 8, 2010
Time: 11:00AM CST

Minnesota Life

Date: July 13, 2010
Time: 11:00AM CST

Mutual of Omaha

Date: July 20, 2010
Time: 11:00AM CST

Invitations for all webinars will be sent as the date approaches.

American General - ROP Select-a-Term

AG ROP Select-a-Term gives clients the option to get all their base premiums back at the end of their level premium period. Learn [more](#).

AVIVA - CompetitiveEDGE

Increase your sales and help your clients save on their life insurance premiums with Aviva's Table Reduction Program. Click [here](#) to learn more.

Banner - Life Value Term

Make sure to compare Life Value Term to other carriers' level terms. Click [here](#) to learn more.

Genworth - Introducing "Plan for Living"

This valuable product helps guide financial professionals through the step-by-step process of creating customized financial security plans for their clients. Click [here](#) to learn more.

ING - Standby Trust Strategy

Click [here](#) to learn more about this strategy that may potentially give your clients more control over their life insurance policy and position them to meet both retirement and estate planning goals.

Prudential - Term Pricing, More Than Just a Price

Click [here](#) to learn more about this dynamic product lineup including both term and permanent products designed to meet your clients' needs.

Transamerica - Trendsetter Super Series

View premiums and targets without generating a full report. Choose products and concepts from drop-down menus. Now you can find the estimated maximum face amount potential clients can qualify for at the click of a mouse! Click [here](#) to learn more.

West Coast Life - ModLife UL

West Coast Life's ModLife UL offers a competitively designed and affordably priced flexible premium universal life insurance policy that can provide the added security of a built-in lapse provision. Click [here](#) to learn more.

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Underwriting Matters

American National - Marijuana Users Considered for Standard

Clients can be considered Standard Tobacco for ages 19 and older with usage of no more than 8 times/month assuming no other drugs are used and there is no history of treatment for drug or alcohol abuse. Also, excellent smoker rates!

Banner Life - Aggressive Asthma Underwriting

Asthma related mortality has been decreasing since 2000. Banner Life offers very competitive underwriting for clients with asthma.

Genworth Financial - Recreational Scuba Diving

Preferred Best Non-Nicotine Use (without a flat extra) is available to depths of 100 feet. No caves, wrecks, retrievals, ice, search & rescue

Genworth Financial- Depression

Clients ages 30-60 who have mild cases of depression with documented stability of symptoms may qualify for Preferred Best.

Genworth Financial - Hypertension

Genworth has reduced EKG and APS requirements and no longer automatically orders APSs for hypertension only cases.

MetLife - Prostate Cancer

MetLife's guidelines on prostate cancer now allow Preferred considerations for certain cases.

MetLife - External Term Conversion Program

Convert other carriers term to a MetLife permanent policy. Click [here](#) to learn more.

Minnesota Life - Competitive Aviation

Preferred Select can be considered for private pilots if they are IFR rated, have 250 or more total hours and fly between 50 and 250 hours annually.

Mutual of Omaha - "Fit" Underwriting Credit Program

Clients with a healthy lifestyle can receive up to 2 tables. Electronic recruiting is now postcard available. [View postcard](#).

Prudential - Foreign Travel and Short-Term US Residency

Click here to learn more about Prudential's simple approach to [Foreign Travel](#) and [Short-Term US Residency](#).

Marketing Matters

AVIVA - Split Dollar Sales Concept Kit

AVIVA now has marketing pieces available for your agents that discuss several Split Dollar sales ideas that could be a perfect solution for their client's insurance needs. Click [here](#) to learn more.

Banner - Customizable Marketing Piece

Banner Life now offers [this](#) Life Choice UL flyer in a customizable marketing piece.

ING - College Tuition Marketing Flyer

Click [here](#) to download ING's "Diapers to Diploma" marketing flyer that can be customized with your agency's contact information including your agent representatives' names.

Genworth Financial - ColonySM Term UL Customizable Materials

Colony Term UL allows the client to choose between 10, 15, 20 or 30-year coverage. Policyowners who wish to extend their protection simply pay a known planned premium - no underwriting or complex paperwork. Click [here](#) to download customizable flyers for your agency.

MetLife - Sales Campaign Central

Co-brand, customize and personalize with MetLife's Sales Campaign Central marketing tool. Click [here](#) to learn more.

Mutual of Omaha - Personalized Testimonial Flyers for Your Agents Now Available

Click [here](#) to download personalized flyers from Mutual of Omaha for your agents to use when they're with their clients.

Prudential Pass or Play Program

Grab the attention of your brokers with Prudential's Pass or Play Postcards. Take advantage of this great marketing opportunity! Click [here](#) to learn more.

Attract More Brokers, Attract More Business!

Improve your profitability by showing your brokers how to use [short apps](#).