Think Outside the Box

with Steve Quirk from FNA Insurance Services, Inc.

Sales Concepts – Policy Review

Most successful clients have some Life Insurance in force, whether through their business or personal policies purchased years ago. A policy review is a great way to see:

- Does the coverage still meet their needs
- Has there been any changes in their personal or business situation
- Is the policy performing as expected
- Is the policy set up right

A simple policy review can uncover a variety of opportunities to help your client make any needed corrections in their coverage or reaffirm that their current plans meet their needs.
Please see attached form specifically for your clients. Your personal info can be added and any changes you'd like to see can be made.

Product Updates- Extended Term Lengths

Back in the good old days, 20-year term was the longest term length available. Then the move was made to go out as far as 30 years, allowing clients to maintain term coverage to age 80.

Now, Legal & General (Banner & William Penn) have come out with 35 & 40 year term lengths (non NY business). While the maximum age to maintain the policy is still age 80, younger clients can get a longer guarantee term period. A 40-year-old who, previously could only get guaranteed level premiums to age 70 (30-year term), they can now get a 40 guarantee period to age 80. And if a client would like a longer "term" length, to say age 90, there are always some Guaranteed UL carriers that will allow you to dial back the guarantee period to less than maximum age of 100 or 121.

Sales Success!

Recently, while working with a broker and their group client, we inquired if the partners/owners had any type of shareholder agreement that addressed the disposition of a partners shares of the business in the event of a death or disability. We were informed that they did indeed have a formal Buy-Sell agreement, and before we could ask, yes, it was funded with Life Insurance.

We asked if we could review the agreement and the policies or at least discuss what type of agreement and how the polices were set up. It turned out they had a Cross Purchase agreement, but the policies named, as beneficiaries, the spouses of the deceased partner. After explaining that, in the event of the partner's death, the surviving spouse would receive the shares of the business through the Will and the insurance proceeds as well, the remaining partner would not have the insurance proceeds to fund the buyout and would still be obligated to buy the shares form the surviving spouse. Fortunately, we were able to make the changes in the existing policies to correct the situation. In addition, we were able to secure additional insurance coverage since the value of the business has gone up since the original policies were written. A win, win, win situation.

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