

A Special Publication for CENCO Related Agents

CENCO STREET JOURNAL

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Inside this issue:

Policy Reviews	2
Are You Following Up On Term Sales?	3

Term Conversion With The Accelerated Access Solution (AAS) Rider

The primary reason to buy life insurance is to provide a tax-free death benefit to the ones you love - the people who depend on you. A term insurance policy from American General Life Insurance Company provides that coverage.

However, this policy only protects your client for a fixed number of years.

- What happens if they need protection for a longer period?
- What if they want more from their policy?

With the powerful new life insurance options that are available today, your client can do much more than provide a death benefit to their loved ones. Consider converting their current policy to a permanent life insurance product.

And now they have the option of electing to add on chronic illness protection with the Accelerated Access Solution Chronic Illness rider if they meet the eligibility requirements:

- Available on QoL Flex Term policies issued within the previous 5 years and still within its convertible period.
- Insured age 60 or younger.
- Original policy issued at a standard or better underwriting classification.
- Permanent policies available for conversion: QoL Guarantee Plus GUL II, QoL Max Accumulator+ III and QoL Value+ Protector III.

ACCESS THEIR OWN LIFE INSURANCE BENEFITS WHILE LIVING

By adding the Accelerated Access Solution (AAS) Chronic Illness rider to a select life insurance policy when they do a term conversion, they can access their income tax-free life insurance benefits, if diagnosed with a chronic illness.

Should an eligible chronic illness occur, they can be paid monthly benefits until that illness improves or their AAS benefit is exhausted - whichever happens first. It's a good option for consumers who understand the value and security of combining death benefit and chronic illness protection into one.

Call Cenco For More Information

Policy Reviews

When was the last time you spoke with your clients about their life insurance? Probably not since they purchased their policy - several years ago.

Now is the time to contact your clients and go over the issues you discussed in determining the type and amount of coverage that they needed. - and how many of those issues have changed since then.

- Has their marital status changed?
- Have their children graduated college and moved out on their own?
- Have they purchased a new home or paid off a mortgage?
- Have they started a business - or sold one?
- Has a promotion or job change altered their income situation?
- Have there been changes in the tax laws that apply to them?
- Have they received an inheritance?
- Have they acquired assets (such as real estate) that have increased their financial worth?

If they answered “yes” to one or more of these questions, it is time to sit down with your client to see if their coverage is still working for them.

How A Policy Review Works

A policy review is actually a very simple process. You'll sit down with your client and go over their current coverage with the following questions in mind:

- Is the death benefit amount in line with their current situation? Life events and changing homes, reducing or increasing mortgage sizes could mean more or less coverage is needed.
- Is the product type the best option for your client right now? For example, if they have a term policy because of the lower premiums, it might be time to look at converting it to a permanent policy.
- Is their beneficiary designation still accurate?
- How has the policy been performing? Take a look and see if their choices are still aligned with their objectives and their risk tolerance.
- Is the product still competitive based on today's standards? Changes to product designs, interest rates and lifestyles have helped to reduce prices in recent years. You can discuss the benefits and limitations of both their current coverage and new products to help decide what steps (if any) are appropriate.

This brief but thorough process will provide you and your client with the information required to bring their coverage up to date with their needs.

Benefits Of A Policy Review

Most people like to know if they are on track with their life insurance coverage and periodic reviews can help provide that insight. Even though such a review might appear to be unnecessary at the time, most clients are quick to recognize the benefits it yields, including:

- The reassurance that their insurance coverage is in line with their family's needs.
- The assurance that their tax-advantaged planning is in line with the current environment.
- The opportunity to look at their entire financial situation, which could uncover other changes they may want to think about.

If it's been a few years since you have contacted your clients about their life insurance coverage, call them today and set up an appointment.

Are You Following Up On Your Term Sales?

Term Insurance is often sold to clients who simply want the lowest cost death benefit protection for a specified period of time. Clients and producers alike will preach the concept of buying **Term** and investing the savings.

While we'd like to think that clients and the investors hold themselves accountable for this strategy and do invest their cost savings, we know it is more likely that the clients pay for the **Term** coverage and then spend their savings elsewhere. The **Term Insurance** is then forgotten over time only to be revisited once the level **Term** period has expired and the client does not want to pay the escalated premium.

One way to help your clients effectively plan for their long-term needs is to discuss the Term Conversion option.

CONSIDER THIS:

By completing a conversion application, the client can change their coverage from a **Term** plan to a Permanent policy without any additional underwriting. This is usually allowed up to a certain age (commonly 65, 70 or 75 depending on the provider). The cost of these conversions is based on the insured's attained age at the time of the request so the longer your client waits to exercise their conversion option, the more expensive the premium will be.

This should be a topic that you address with your clients on a regular basis to ensure that you do not let the conversion privilege expire and also that you are converting at the earliest, most appropriate time which can save your clients significant premium costs. It will also ensure that your clients have the coverage in place when they need it most - when they pass away. Since the average life expectancy is in the mid-80s, more often than not, the level **Term** policy will expire before your client expires.

Ask yourself if you have a process in place to address your clients who have purchased **Term Insurance**. Even if converting their **Term** plan isn't the most appropriate course of action at this time, the review discussion may uncover additional needs for insurance or lead to referrals.

Cenco can help you determine if your client's **Term** plan has a conversion option and provide you the marketing support needed to turn these cases into permanent sales.

If you have any clients that may be approaching their conversion deadlines or who may be appropriate prospects for a policy review, call Cenco (916/920-5251) today and we can help get the process started for you.

**CENCO
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**July
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**Non-Medical Underwriting
On QoL Max Accumulator+ III
And QoL Value+ Protector III**

- Ages 0-59
- Face amounts \$50K to \$2 Million
- No lab tests, exams or APS required
- All rate classes are available
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FINAL EXPENSE

PRODUCTS

IMMEDIATE SOLUTION, 10-PAY SOLUTION, AND EASY SOLUTION

TRANSAMERICA LIFE INSURANCE COMPANY | ACCELERATED DEATH BENEFIT RIDER WITH NURSING HOME BENEFIT (NHB)¹ | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

Fast, easy, guaranteed. Transamerica's final expense life insurance with iGO e-App[®] and *Express Protect Underwriting*SM can help protect families from unexpected end-of-life costs for a lost loved one — making a world of difference in a difficult time. For our agents, this quick-reference guide outlines the key benefits and requirements of our three final expense policies: *Immediate Solution*, *10-Pay Solution*, and *Easy Solution*.¹

IMMEDIATE SOLUTION OVERVIEW:

Premium Paying Period: Level premiums to age 121

Age Last Birthday Issue Ages: 0²-85

Minimum Issue Amount: \$1,000

Maximum Issue Amount: \$50,000 (0²-55), \$40,000 (56-65), \$30,000 (66-75), \$25,000 (76-85)

Benefit Period: Product matures at age 121

Policy Loans: Loan rate is variable, not to exceed 8%

Additional Benefits/Riders:

- Accelerated Death Benefit Rider (ADBR) for Florida Only
- Accelerated Death Benefit Rider with Nursing Home Benefit (NHB)³
- Terminal Illness Accelerated Death Benefit Rider (TIR) for California Only

Optional Rider:

- Accidental Death Benefit Rider (ADBR)
- Children's and Grandchildren's Benefit Rider

10-PAY SOLUTION OVERVIEW:

Premium Paying Period: Level premiums for 10 years

Age Last Birthday Issue Ages: 0²-85

Minimum Issue Amount: \$1,000

Maximum Issue Amount: \$50,000 (0²-55), \$40,000 (56-65), \$30,000 (66-75), \$25,000 (76-85)

Benefit Period: Product matures at age 121

Policy Loans: Loan rate is variable, not to exceed 8%

Additional Benefits/Riders:

- Accelerated Death Benefit Rider (ADBR) for Florida Only
- Accelerated Death Benefit Rider with Nursing Home Benefit (NHB)³
- Terminal Illness Accelerated Death Benefit Rider (TIR) for California Only

¹ Graded death benefit is not available for all ages in New York.

² Minimum insured age is 15 days.

³ Accelerated Death Benefits will be available when the insured has been diagnosed with a qualifying event, as described in the rider, while the policy and the rider are in force. Benefits advanced under this rider may be subject to taxation. Limitations and exclusions apply. Refer to the rider for complete details.



**EASY
SOLUTION
OVERVIEW:****Premium Paying Period:** Level premiums to age 121**Age Last Birthday Issue Ages:** 18-80; In New York, 50-75¹**Minimum Issue Amount:** \$1,000**Maximum Issue Amount:** \$25,000**Benefit Period:** Product matures at age 121**Death Benefit:** Death Benefit during first two policy years is based on face amount for accidental death of insured or will be limited to 110% of the sum of premiums paid (minus any loan balance) for death of insured from any other cause. Death Benefit after first two years is based on face amount (minus the loan balance) for death of insured regardless of cause of death.**Policy Loans:** Loan rate is variable, not to exceed 8%**Additional Benefits/Riders:** No riders available on this policy**MODAL FACTORS**

- Monthly PAC: 0.086
- Quarterly: 0.2575
- Semiannually: 0.51
- Annually: 1.00

POLICY FEES

(face amounts less than \$5,000, fully commissionable)

- Annually: \$60.00

POLICY FEES

(face amounts \$5,000+, fully commissionable)

- Annually: \$42.00

FINAL EXPENSE COSTS**Funeral Cost Estimates⁴**

• Professional services, embalming, visitation, etc.	\$7,848
• Metal casket	\$2,500
• Burial vault	\$1,572

Cemetery Cost Estimates⁵


• Cemetery plot	\$400 - \$10,000
• Monument	\$500 - \$12,000
• Opening and closing of the grave (varies by cemetery)	\$300 - \$1,000
• Graveside service fee	\$300 - \$1,000

RANGE OF ESTIMATED FUNERAL EXPENSES**\$13,320 - \$36,620****Other Possible Final Expenses**

- May include immediate household expenses, car loans, and loss of income

Get in touch:

 **VISIT**
transamerica.com

 **CALL**
Call your sales support team.

\$13,320 to \$36,620
Average estimated final expenses^{4,5}

⁴"2021 NFDA General Price List Study Shows Funeral Costs Not Rising as Fast as Rate of Inflation," National Funeral Directors Association, 2021

⁵"Cemetery and Gravesite Costs," funeralresources.com, accessed September 2022

Transamerica Financial Life Insurance Company is authorized to conduct business in New York. Transamerica Life Insurance Company is authorized to conduct business in all other states.

Immediate Solution, 10-Pay Solution, and Easy Solution are whole life insurance policies issued by Transamerica Financial Life Insurance Company, Harrison, New York, 10528 in New York and by Transamerica Life Insurance Company, Cedar Rapids, Iowa, in all other jurisdictions. Policy form and number may vary, and these products and riders may not be available in all jurisdictions. Insurance eligibility and premiums are subject to underwriting.

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