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Letter from the President

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.

We'd like to think that clients and the investors hold themselves accountable for this strategy and do invest their cost savings. However, 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.

By completing a conversion application, the client can change their coverage from a Term plan to a Permanent policy with no 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.

We can help you determine if your client's Term plan has a conversion option and provide you with 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 us today. We can help get the process started for you.

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Your married clients may be able to get the coverage they need and save money

Bundling Single, Survivorship, and Long-Term Care Coverage

Married couples who want to leave a legacy and address Long-Term Care (LTC) needs may want to consider bundling single and survivorship policies with an LTC rider.

How Does This Strategy Work?

Your married clients may be able to get the coverage they need and save money by combining two smaller single life policies with LTC riders that have a larger, less expensive survivorship policy. This can be a great alternative to purchasing two larger single life policies with riders (one for each spouse), and will cover both life insurance and LTC insurance needs.

Determining Strategy

- Mary and Tom have had successful careers and want to leave a legacy for their children and grandchildren.
- They need life insurance protection and want to make sure they're covered for any potential long-term care costs.
- They need \$2,000,000 in life insurance and \$500,000 each of LTC coverage.

Strategy in Action - Option One

Mary and Tom's financial professional shows them two single life policies with the Long-Term Care ServicesSM Rider (LTCSR).¹ It would cost them \$35,573 per year.

Insured	Age	Face Amount	LTCSR Benefits	Annual Premium
Tom	65	\$1,000,000	\$500,000	\$20,777
Mary	60	\$1,000,000	\$500,000	\$14,796
Total		\$2,000,000	\$1,000,000	\$35,573



This option would save them over \$5,000 per year

Strategy in Action - Option Two

Their financial professional then shows them a second option that can save them some premium and still give them the protection they need. This option would save them over \$5,000 per year – a 14% savings.

Insured	Age	Face Amount	LTCSR Benefits	Annual Premium
Tom	65	\$500,000	\$500,000	\$10,927
Mary	60	\$500,000	\$500,000	\$8,248
Mary & Tom	65/60	\$1M	\$0	\$11,310
Total		\$2,000,000	\$1,000,000	\$30,485

1 The policy premium and death benefit amounts used for this case are intended only to help demonstrate the planning concept discussed and not to promote any specific product. The values are broadly representative of rates that would apply for a policy of this type and size for the insureds' health and ages. Here, it is assumed that the insureds have an underwriting class of preferred nontobacco and pay 61 years of premiums from age 60-121. Individual illustrations based on the clients' own individual age(s) and underwriting class(es), containing guaranteed charges and guaranteed interest rates, as well as other important information, should be provided.

Prospective Clients

Married couples who:

- Want to leave a legacy for children and grandchildren
- Are looking for ways to address long-term care needs
- Are primarily concerned about cost

Considerations:

One survivorship life policy will only provide the death benefit at the death of the second insured, unlike two single life policies that will pay a death benefit upon each insured person's death.

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Introduction to the Foreign National Market

Have you had the opportunity to work with clients from abroad? Ours is a growing industry, but some foreign nations are tightening the reins on their citizens. Because of that, many individuals (foreign nationals) want to navigate the world markets outside of their home nation or diversify their investments into countries with proven and robust economies.

This is challenging and complex, but it's also a very lucrative and rapidly expanding market. Elite Marketing is working in tandem with a few strong and effective carriers to navigate the intricacies of these cases. We have the resources and information to help establish a client's connection to the U.S. in order to meet the carrier's requirements to write a domestic policy.

Let us share our expertise and connections to help you establish a profitable new market in this sector. Contact us today for more information.

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Looking to increase sales in the Business Insurance Market?

Many buy-sell agreements are triggered by death, yet a staggering number of businesses do not have a buy-sell agreement ready for such an event. In addition, a large number of those agreements are not funded by life insurance, while many that remain underfunded. Making sure that a client has a properly funded, well-structured buy-sell agreement could make the difference between a smooth transition and financial disaster.

Consider:

- In 2015, pre-retiree business ownership totaled \$4 trillion
- Only 44% of businesses have a buy-sell agreement in place
- Only 25% of buy-sell agreements reviewed are fully funded by life insurance
- Only 6% of agreements reviewed reflect a current fair market value of the business

Learn how to open doors with a buy-sell review:

- How to prospect
- How to approach
- What questions to ask
- How to consult
- How we can support you!

Contact Chris Salge at 713-507-1041



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Your 30 Second Script: Rethinking Retirement

The market and indeed the world has changed over generations. People are still trying to retire using methods and approaches that leave them short of their goal. Qualified plans provide a brief refuge from taxes now, in exchange for income in their golden years, but is that enough? What about timing and choosing the correct assets? What do they do when the market goes down again? What if you want it sooner, or what if you want to wait? Too often, the rules work against people who have faithfully followed them. It can easily overwhelm a client.

Ask your clients these simple questions and watch their reaction:

- What if you had a retirement asset that grew without the typical market risk of qualified plans?
- What if that asset grew tax free?
- What if you only had to fund it for 5 to 10 years?
- What if when you took the money, it was tax free?
- What if you were able to choose when and how you took the money, not the IRS?

Most likely, the first question they ask will be either “Can we really do that?” or “Can you tell me more?” Often, they ask both.

Then, come speak with us

Rethinking retirement and how America can successfully protect itself is one of our specialties. We’ll give you the script to help you help your clients toward a better retirement. We’ll give you the track to run on and all of the sales support and case management you need. We’ll change your practice.

Be brave enough to ask us how.

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