

Imeriti, Inc.



Life Insurance Sales Workbook

Imeriti, Inc.
3723 Griffin Lane SE
Olympia, WA
(P) 800.921.3100
(F) 866.592.7974
www.imeriti.com

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2010

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Life Insurance: Determining The Best Solution For Your Client

What are some reasons your client may need life insurance?

Personal Needs:

- Death before loan/debt repayment can be finished
- Spouse outliving a life only pension plan
- Death before reaching personal goals the client wants funded
Ex. Retirement funding for spouse, child's education
- Tax-free income



Family Needs:

- Death of a primary income earner
- Final expenses
- Dependent income
- Education
- Family goals
- Support of parents
- Wealth transfer/preservation



Business Needs:

- Death of a partner or co-shareholder
- Death of a key employee
- Loss of a key employee to a competitor
- Illiquidity of the business in the event of an owner's death
- Special situations (ex. stock repurchases, fund retirement benefits)

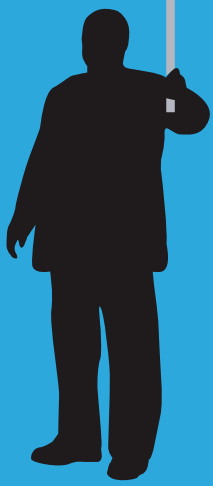


Life Insurance: Which is the Right Choice?

Product	Description	Highlights
Level Term/ Term with ROP	Term insurance is best suited for a temporary need that will expire at some time in the future. Term insurance may also be appropriate for young people who cannot afford permanent insurance. Term with return of premium is attractive because at the end of the term, all premiums are returned if no death benefit has been paid out.	<ul style="list-style-type: none"> • Temporary Insurance Protection • Lowest initial cost • More coverage per premium dollar
Fixed Universal Life	Fixed UL is attractive to customers accustomed to receiving periodic interest on their financial investments. Some want the luxury of an increasing death benefit. Others want to focus on the cash value build-up for future needs. All want guaranteed coverage for life at a fixed price with premium and death benefit flexibility.	<ul style="list-style-type: none"> • Flexibility of premiums • Flexibility of death benefit May Provide: <ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Coverage for life as long as premiums are paid
Whole Life	With whole life, the customer can permanently transfer the risk of premature death to the insurance company. Whole life is generally bought by conservative clients interested in long-term security and premium that's fixed for life.	<ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Guaranteed cash value • Coverage for life as long as premiums are paid
Indexed Universal Life	Indexed UL offers death benefit protection with policy cash value interest credit linked to the performance of one or more stock market indices (e.g. S & P 500 Index).	<ul style="list-style-type: none"> • Flexibility of premiums • Flexibility of death benefit • May provide: <ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Coverage for life as long as premiums are paid
Single Premium Universal Life	Single payment life is generally sold as a way to protect customer's estate and increase its value at the same time. Many customers are conservative investors between 55 and 85 years old. They have a nest egg to pass on to children, other family members, or charity.	<ul style="list-style-type: none"> • Increased estate value • Tax-deferred gain in contract • No income tax to beneficiary • Safety of medical provisions
Other Life	Other options for direct stock market participation include Variable Universal Life (VUL) products, which may be discussed in further detail with your licensed Representative.	

Life Insurance: Overcoming Objections


When your client raises these common objections to life insurance - use these responses!



I don't think I can afford life insurance...

Response:


- When we say we “can’t afford” something, usually we are speaking about luxuries. Life insurance is certainly not a luxury. It represents and provides food, clothing, shelter, education, and other necessities for your family.
- Many clients feel the same way, but consider the small sacrifices you will make today compared to the large sacrifice you would be making for your family should something happen to you if you didn’t have protection coverage
- When you consider all this, can your family afford to live without this coverage?



Our budget can't handle it...

Response:

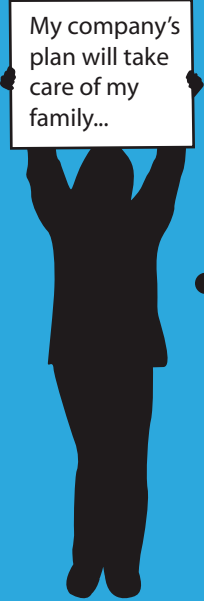
- Budgeting is the best way to handle money. There are three types of budgets: today’s family budget, the widow’s budget, and the “old age” budget. Today’s family budget is the only one that is supported by your earning ability. It also supports the other two. Therefore, it needs to be adequately protected.



My family will be able to take care of themselves...

Response:


- That is likely not the case. They will probably not be able to take care of themselves if you die prematurely because their standard of living may suffer unless you have provided the necessary funds. Do you want to create this burden for your loved ones?



My company's plan will take care of my family...

Response:


- Most employers provide only limited life insurance protection, which, in almost all cases, is insufficient. Additionally, you may choose to change jobs in the future and your new employer may not provide as much protection as your current employer.



I can't handle any more obligations right now...

Response:

- I understand, but I'm suggesting the opportunity to rid yourself of some obligations you already have. By owning adequate amounts of insurance, you actually will have fewer obligations. You'll be transferring the largest obligations to the insurance company – the obligations of providing some financial security for a home, education, and ongoing income to your family if you should die prematurely.



Social Security will take care of my family...

Response:

- Social Security will, at best, put a family slightly above the poverty line. If your family relies solely on Social Security, they should expect to take a dramatic reduction in their standard of living.

Life Forms Cheat Sheet

When filling out term life insurance forms with clients here are some important questions to ask:



Do you have any special circumstances?

- Do they participate in any hazardous activities? (ex. flying, scuba diving, etc.)
 - if YES, additional forms will be needed
- Do they use tobacco or drink alcohol?
 - if YES, a Drug and Alcohol Questionnaire will be necessary
- Are they in the military?
 - if YES, an additional form will be needed
- Do they plan to travel outside the U.S. within the next 2-3 years?
 - if YES, a Foreign Travel Questionnaire will be needed
- Have they ever been convicted of a DUI or felony?
 - If YES, an Alcohol Questionnaire and an additional form may be needed



Are you applying for a DISABILITY INCOME RIDER?

- If YES, an additional form will be needed
- This is NOT the same as a Disability Waiver of Premium**



Are you applying for a CHILD RIDER?

- If YES, an additional form may be needed
- Find out how many units



Is the face amount \$500,000 or greater?

- If YES, they will need a Financial Questionnaire



Are you a U.S. citizen?

- If NO, a Resident Alien Supplemental Form will be needed



Is a replacement of existing life insurance or an annuity taking place or is a transfer involved?

- If YES, a Replacement Form and Transfer paperwork will be needed



Did they answer YES to any medical questions?

- Make sure they provide a FULL description

Call Imeriti To Obtain All Needed Life Insurance Forms



The Life of the Life Application

1. Agent will interview the client to assess the rating for the illustration. Call Imeriti or visit www.imeriti.com for assistance on field underwriting.
2. Obtain a quote/illustration by calling Imeriti. You can also run all your own term quotes @ www.imeriti.com . If you prefer, Imeriti can also provide carrier-specific illustration software, which allows you to run your own permanent life insurance quotes as well.
3. Obtain the application from www.imeriti.com
 - Under Quick Links – click Get forms; indicate state the application will be **signed in**; insurance carrier; product; and product name. The forms highlighted in yellow will be the mandatory forms. Read through the additional supplement forms to add relevant forms for you clients (foreign travel, alcohol, drug, etc...)
 - **Please call Imeriti if the applicant is NOT a resident of the agent's appointed state, as this will affect application materials needed**
 - ARE YOU LICENSED WITH THE CARRIER? If not, do you live in a sensitive state that requires you to become appointed prior to the solicitation of new business? Please call Imeriti to find out.
4. Complete the application.
 - IF you have questions please call Imeriti.
 - READ AND COMPLETE ALL QUESTIONS – carriers will reject applications that are not fully completed.
 - Agents Report – Please identify yourself on the application by indicating your agent ID assigned by that particular carrier.
 - Make sure the client and agent both sign the signature page.
 - If you submit a premium payment for temporary insurance coverage, you MUST fill out a "Temporary Insurance Agreement."
 - Please call Imeriti to find out which carriers take which form of payments (personal check is always recommended, some carriers do not accept cashier's/bank checks or money orders).
 - Make sure the sign date of the application, temporary insurance agreement, and check are ALL THE SAME.
 - Pay attention to replacement questions regarding existing coverage
 - If a replacement is involved be sure to include necessary replacement and transfer paperwork. If completing a 1035 Exchange, the original of this form is ALWAYS required.
5. **Submit the completed application to Imeriti, NOT to the insurance carrier directly – this is mandatory. Use the Imeriti Life New Business Transmittal (attached) for each application, and reference this sheet to determine whether to fax or mail the app to Imeriti.**
6. Once the application arrives at Imeriti:
 - The new business case manager will review the application for missing items and also complete specific agency/company requirements.

- Imeriti will order the paramed exam and lab tests (paramed, blood work, urinalysis)
 - The paramed requirements vary depending on the product, amount of coverage applied for, and the age of the client.
- 7. After review of the application, Imeriti sends the application to the appropriate department at the insurance company.
- 8. The insurance company reviews the application and determines any outstanding requirements, such as:
 - Further clarification of information provided on the application (i.e. family history, other insurance applications, any medical questions, etc.)
 - Additional information requested by the underwriter upon review of the paramed results and medical records.
 - Medical Records may be ordered after review of exam and lab results.
 - **PLEASE NOTE:** an additional medical authorization form may be required in addition to the HIPAA form signed by the client. The client's medical facility will mail this directly to the client. Since there are thousands of medical providers, it is unfortunately impossible for Imeriti to obtain the disclosures specific to each facility in advance. Please work with the client to make sure this is completed in a timely manner.
 - Have the client call his/her doctor in order to expedite the release of his/her records
 - Some facilities may take up to two months to release the records, and anything Imeriti, the agent, or client can do to help the process along will help.
- 9. The Imeriti case manager completes weekly follow-ups with insurance and exam companies to determine any outstanding requirements, and then notifies the agent via email of any pending requirements or changes in case status. Friday case status summaries are sent out in addition to agent follow-up. Agents can view case status anytime by logging onto the Imeriti website (contact Imeriti for login info).
- 10. Agent gathers outstanding requirements and remits to Imeriti for processing and submission to carrier.
- 11. Upon receipt of all outstanding requirements, the insurance company will approve the policy at a specified medical rating. The file will then be sent to issue. If the policy is approved at a rating other than that which was applied for, we will need authorization from the agent to issue the policy.
- 12. Upon issue, the contract will be mailed to the agent. The agent and client have six weeks from the ISSUE DATE of the policy to remit all delivery requirements (i.e. premium due, policy delivery receipt, amendment, etc.) needed to place the policy in force.
- 13. *INFORCE*: the client is provided with full coverage and commissions are released.

Please contact the Imeriti Life Case Managers with any questions on the new business life insurance applications @ 800.921.3100 or newbusiness@imeriti.com

Imeriti Life New Business Transmittal

Date: _____

To: Imeriti, Attn: Life New Business

From: _____
(Agent Name)

Contact Number: _____

Pages (including cover): _____

Has the medical exam been ordered? (circle one) Y N

Did you already submit this app to the carrier? (circle one) Y N

Applications for the following carriers may be **faxed** to Imeriti in lieu of sending the originals, assuming no money was taken with the application:

Imeriti New Business Fax Line: 866.592.7974

American Fidelity
American General
Americo
Aviva
Banner
Foresters
Genworth
Golden Rule

ING Reliastar
John Hancock Life (NOT LTC)
Lincoln Financial
North American
Prudential
West Coast Life
Western Reserve Life

If money was collected with the application, or if the application is for a carrier not shown on the above list, then **originals** must be sent to the Imeriti Olympia Office:

FedEx or UPS (recommended):

Imeriti, Inc.
Attn: Life New Business
3723 Griffin Lane SE
Olympia, WA 98501

US Postal:

Imeriti, Inc.
Attn: Life New Business
PO Box 889
Olympia, WA 98507-0889

How To Read A Life Case Status Report

Sample Report:

Client's Name	Insurance Company	Policy Number	Face Amount	Product	Description	Approved Rating	Underwriting Rationale	Issue Date	Mail Date	Premium Mode	Status
Sarah Adams	West Coast Life	Z12345678	\$250,000	Focus Term 20	Pending: paramed (ordered 2/6, scheduled for 2/24) 4/01: paramed submitted to WCL for review with the underwriter 4/15: approved and issued	Standard/ NonTobacco	Due to weight	4/15/2007	4/20/2007	Annual	Issued
Grand Totals (1 record): \$250,000											

Client's Name: Name of insured

Insurance Company: Name of insurance company

Policy Number: Policy number assigned to case

Face Amount: Amount of insurance applied for

(This is copied from what is written on the application; after policy issues it is cross-referenced)

Product: Name of insurance product

Description: This section lists updates and pending requirements for agent to complete and submit

Approved Rating: Health rating the insured was approved at

Underwriting Rationale: Insurance company's reasoning behind approved health rating

Issue Date: Date policy issued

Mail Date: Date policy mailed

Premium Mode: Frequency of premium payments

(This is copied from what is written on the application; after policy issues it is cross-referenced)

Status: Current status of case