



Seattle Office:
1702 North 34th Street
Seattle, WA 98103
Phone: 206.633.2922
Fax: 206.633.0185

St. Louis Office:
230 South Bemiston Ave.
Suite 1425
St. Louis, MO 63105
Phone: 314.678.2576
Fax: 314.721.1047

Toll Free Phone: 877.455.9580
www.pacificadvisors.net

Providing you with:

- Top Rated companies
- Multi-life DI & LTC
- Case Design
- Proposals within 24 hours
- Advanced Sales Ideas
- Competitive Analysis
- Superior Support

Managing Partners of



For agent use only, not to the public

PRESORTED
STANDARD
US POSTAGE
PAID
SEATTLE, WA
PERMIT #1445

First Quarter 2012

Volume 13 Issue 1

Brokerage News



The Profile of a Typical LTCi Buyer

In an effort to help you know who to target, Mutual of Omaha carefully examined LTCi buyers in order to compile a consumer profile. Based on what they learned, the typical LTCi buyer is:

- Female, Caucasian, age 55 to 64
- Married with adult children
- Working in a white-collar profession; not yet retired
- College educated
- Living in a metropolitan area with a population of at least 250,000
- A homeowner with 11 or more years in the current residence
- Affluent; upper middle class with a household income of \$100,000+
- A "planner" who is interested in financial issues; owns life insurance and other conservative investment products
- Family oriented
- Exposed to LTC issues; knows someone (a family member or friend) who has needed LTC services
- Research oriented; an online user; self-educated about LTCi

What about people who don't fit this profile? They certainly can make good prospects for LTCi, too. It's simply that Mutual of Omaha found most people who purchase LTCi share these similarities. So, as you meet new people or search your own database of existing clients for opportunities to talk about LTCi, we urge you to keep this profile in mind. It might just lead you to your next LTCi sale!

News You Can Use

- MetLife has increased I&P limits. They are now offering up to \$30,000 per month of individual DI to physicians and up to \$40,000 per month for qualifying executives.
- Clients may feel more confident and comfortable buying an LTC policy from a producer who has a policy of their own. Prudential now offers a 5% discount for producers and their spouses/partners on their Evolution or LTC3 insurance policies.
- Union Central/Ameritas has announced a change to their individual DI product that adds Specialty Own Occ language to the definition of total disability for physicians and dentists.

Inside this issue:

The Profile of a Typical LTCi Buyer	1
News You Can Use	1
Overview of DI Income Documentation	2
The Real Cost of a Disability	3
Using www.pacificadvisors.net as a Resource	4

If there are specific topics you'd like to see covered in future newsletters, please contact:
Kelsie Van Tine
at kelsie@pacificadvisors.net

Using www.pacificadvisors.net as a Resource

We have transformed our website over the last few years to provide you with a single resource to assist you with your sales. We continue to regularly update the content and make changes, but we encourage you to let us know if you'd like to see specific content added. Take a look at what we've been up to lately and take advantage of these resources.

Social media links: On our homepage you can find links to our Facebook, LinkedIn, YouTube and Google+ pages so you can connect with us and stay up on all that's happening in the industry.

Videos: We have started a collection of videos that can assist you in sales situations. Use these to show your clients the importance of having DI & LTC coverage, and what can happen if they don't have it. These videos can also be found on our YouTube page.

Library: Find DI & LTC articles and documents, prospecting letters, 'need' calculators and worksheets, as well as an archive of our quarterly newsletters, among other items.

News: Be the first to know breaking industry news. We often post documents and press releases we get straight from the carrier on the day they're released. Our social media pages are a great place to find news, too.

Quotes: Request quotes and prescreen cases online through a simple, two step process.

Forms: Most carrier applications can be viewed and downloaded directly from our website.

Case status: In this password protected section you can check the status of cases when it is convenient for you, 24/7.

Overview of DI Income Documentation

Income documentation is required for most all disability income insurance applications. Gathering the appropriate documentation at time of application can help reduce the time applications spend in underwriting and helps you advise your client on the amount of coverage that is appropriate.

The following table provides an overview of the tax documentation required as well as a guide for where you should look to determine what your client's actual income is.

Non-Owner Employee

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
<ul style="list-style-type: none"> Wages, regular overtime, bonus and commissions (less expenses) Qualified retirement plans may be included as earned income. Limits may apply. 	<ul style="list-style-type: none"> Copy of W-2 1040 - page 1 & 2 Schedule E if filed with the return 	W-2 box #5 labeled "Medicare Wages and Tips"

Owner of Sole Proprietorship

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
Net profits of the business or profession, after expenses but before taxes.	<ul style="list-style-type: none"> Schedule C from personal return 1040 - page 1 & 2 Schedule E if filed with the return 	Schedule C line #31

Partnership

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
Partner's proportionate share of the net profit of the business or profession.	<ul style="list-style-type: none"> 1040 - page 1 & 2 Partnership Forms 1065 Schedule K-1 (1065) Schedule E if filed with the return 	Add K-1 lines 1 and 4, subtract line 12

S-Corp

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
<ul style="list-style-type: none"> Wages, regular overtime, bonus and commissions (less expenses) Owner's proportionate share of the net profit of the business or profession. Qualified retirement plans may be included as earned income. Limits may apply. 	<ul style="list-style-type: none"> Copy of W-2 1040 - page 1 & 2 Schedule E Corporate Tax Return Form 1120S and Schedule K-1 (1120S) 	W-2 box #5 plus Schedule E Nonpassive income, subtract passive loss, Section 179 Expense. "Passive" may be counted as unearned income. Or... Add 1120S line 7 (owner's share shown on W-2) and K-1 box #1, subtract line 11

(continued on page 3)

Overview of DI Income Documentation *continued*

(continued from page 2)

C-Corp Owner

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
<ul style="list-style-type: none"> Wages, regular overtime, bonus and commissions (less expenses) Qualified retirement plans may be included as earned income. Limits may apply. 	<ul style="list-style-type: none"> Copy of W-2 1120 C-Corp return 1040 - page 1 & 2 Schedule E if filed with the return 	W-2 box #5 labeled "Medicare, Wages and Tips"

LLC or LLP

EARNED INCOME	TAX FORMS	WHAT INCOME FIGURE TO USE
Type of business tax return filed for the LLC or LLP will govern the documentation required.	See appropriate business entity above	See appropriate requirements above for regular corporation or partnerships

The Real Cost of a Disability

The cost of a long-term disability is not easily measured. How do you measure the loss of educational opportunities, the cost of shattered lives, altered personalities? How do you measure the cost to society when boys and girls who are potential doctors, lawyers, architects, teachers or scientists are denied the opportunity for training because one of their parents became disabled and were unable to finance the necessary education? How do you measure the cost of heartbreak when the family's treasured possessions must be sold? How do you measure the cost when a dynamic individual has lost all initiative and hope?

The cost of disability can be so high that it can't be measured, or it can be minimal. The cost can be limited to the amount of dollars required to provide adequate income protection plus the inevitable discomfort and physical pain that accompanies the disease or injury. However it is paid, the cost is inescapable. The cost will be paid in loss of savings, loss of homes, loss of pride, humiliation, shattered plans and shattered lives. Or, it will be paid the easy way, through payment of premiums on a disability income policy.

A sole proprietor will pay the cost as his business and income fade away when he can't operate the business. A doctor will pay the cost as his practice goes elsewhere. An employer will pay the cost as he continues to provide a salary to a key person (and his/her replacement) or to a disabled partner. If death will cause a problem for a business, you can be certain that a long term disability will also extract a heavy price and additionally it is a devilish emotional problem never satisfactory to any of the partners. In every such case, however, the cost can be minimized through the means of an intelligently devised disability insurance program.

As we kick off 2012, make it your mission to talk to all of your clients about the importance of income protection and let us know what we can do to help.