

Mutual of Omaha Accident Only DI

Third Quarter 2014

Volume 15 Issue 3

Accident Only Disability Insurance offers affordable coverage to middle market clients who have limited resources: those who would need immediate income protection after a disabling injury. Benefits can start as early as "day one" and last up to two years.

Finding the Market:

- Blue collar occupations where accidents may be more likely and accident and sickness coverage tends to be expensive
- Clients wanting to supplement a short- or long-term accident and sickness policy by covering the elimination period*
*Restrictions apply. Check with Pacific Advisors.
- Clients who have been denied an accident and sickness policy due to health concerns. Accident Only DI can give them some level of protection. Also, women who are pregnant may want Accident Only DI until they are eligible for individual DI that covers both accident and sickness.
- Clients with income less than \$40,000
- Clients age 30 to 50
- Occupations: Service/Installation/Repairs; Farming; Construction

Flexible Solutions:

Coverage options and premium savings help you make income protection affordable for clients in this market.

- Benefit Period: 3, 6, 12, 24 months
- Elimination Period: 0, 7, 14, 30, 60, 90 days
- Issue ages: 18-61
- Optional riders: Accident Medical Expense Benefits Rider; Accident Hospital

Confinement Indemnity Benefits Rider

- Premium Savings
 - Association Group - 15%
 - Self-Employed - 15%
 - Common Employer - 15%
 - Life and DI - 10%

Accident Only DI can be the right income protection solution for many of your clients. Contact Pacific Advisors for more information about the product.

Inside this issue:

Mutual of Omaha Accident Only DI	1
Business Loan Protection	2
New Transamerica LTC Product	3
News You Can Use	4

If there are specific topics you'd like to see covered in future newsletters, please contact:

Jaymie Mayers

at jaymie@pacificadvisors.net

Business Loan Protection

Banks' lending practices for businesses have continued to change. There are more restrictions and many financial institutions are now requiring Disability Insurance to be in-force prior to funds being released. Business Loan Protection is specifically designed to cover business-related loan obligations during the owner's total disability and provides benefits up to \$20,000/month. Types of loans protected include those taken out to cover:

- The purchase of a practice or existing business
- The purchase of a large piece of equipment
- The expansion of the business or practice
- Facility renovations and improvements
- An increase in working capital or build up of inventory
- The purchase of a building or land (must be purchased for the sole use of the business)

The loan obligation should be in the form of a Term, Variable Rate, Commercial Mortgage or Lease Financing Loan.

How it pays:

Benefits are payable to a lost payee when the insured meets the policy's definition of a Total Disability: unable to perform the substantial and material duties of your occupation and are not working. Benefits are sent on the first loan payment date after the elimination period is satisfied and continue during the benefit period.

Specifics include:

- **Benefit Maximum:** \$2 million
- **Benefit Period:** End of the financial obligation or earlier (3-year minimum), but not to exceed the Overhead Expense (OE) policy's age 65 policy anniversary
- **Issue Ages:** 18-60
- **Elimination Periods:** 30, 60, 90, 180 or 365 days
- **Occupation Classes:** 3A/3A-M and above
- **Sales Programs Available:** Fully Underwritten, Association, Simplified, Multi-Life, GSI
- **Discounts Available:** 10% Select Occupation, 20% Multi-Life (based on gender-distinct rates), 10% Association
- **Multiple Loans:** If the client has more than one business-related loan obligation to cover, multiple OE insurance policies must be purchased with the Business Loan Protection rider selected. The policy can be issued with a zero dollar OE insurance benefit.

Underwriting Guidelines

Financial Verification:

- Completed OE statement that must be submitted with the application
- Prior year's business federal income tax return or Profit and Loss Statement for the last 12 months - if in-force and applied OE exceeds \$10,000/month
- Copy of loan contract/agreements
- Must qualify under the earned income guidelines for OE insurance

New Transamerica LTC Product

Transamerica Secure® is a new comprehensive stand-alone product that is designed to attract the majority of Americans, middle-class working families. The new product brings affordable LTCi to consumers who want to help protect their assets - primarily their homes - in the event of a long-term care crisis. Transamerica Secure® addresses the LTCi basics with easy-to-understand Pool of Money plans designed for the middle market. The new offering pre-packages their most popular benefits and riders, which highlights what makes their stand-alone policies different. Some of the most popular benefits and riders are:

0-Day Elimination Benefits

Your clients can stay in their homes with no waiting periods and no extra premiums.

Cash Benefit with 0-Day Elimination Period

It provides your clients with the immediate financial assistance they depend on.

Included with all stand-alone LTCi policies at no additional charge:

- Lump sum monthly payment of 1/3 the Monthly Benefit in lieu of all other benefits that month
- No receipts required

Optional Care Coordination

Claimants receive cost-free access to a guide for local care resources:

- Create an assessment of needs
- Develop an individualized plan
- Assist with securing required documents

Benefit Increase Options

Helps your clients keep up with the rising cost of care with a variety of benefit increase options (BIOs):

• Step-Rated BIO:

With a Step-Rated BIO, your clients start with lower initial premiums than with a traditional compound BIO. Benefits and premiums automatically increase at a 3% or 5% compound rate each year. This flexible BIO gives your clients the control to temporarily or permanently stop the coming year's increases.

Sales Idea: Especially suited for your cost-conscious clients. Emphasize the stop/start flexibility and savings in the early years.

• Tailored BIO

A Tailored BIO automatically adjusts the way benefits are increased as your clients enter different stages of life. Prior to age 65, benefit amounts will increase on the policy anniversary by 5% compound. Between ages 61 to 76, benefit amounts will increase by 3% compound and benefit amounts will not increase after your client's 76th birthday. *Available for TransCare III® policies only.

Sales Idea: Especially suited for younger clients who want to lock in higher growth in the earlier years and who prefer premiums designed to be level.

• Compound BIO

A traditional Compound BIO increases the Maximum Daily Benefit and the Pool of Money (less any claims paid) by 3% or 5% of its **current** value each year.

Sales Idea: Especially suited for clients who want premiums designed to remain level.

• Deferred BIO

If your clients don't select a BIO Rider at policy issue, they have the option to add a BIO later without evidence of insurability, as long as they have not had a claim and are not currently eligible to claim. Deferred BIO is automatically included if no BIO Rider is selected. Policy holders will have the option to select a BIO within 90 days prior to the first, third and fifth anniversary of their policy.

Sales Idea: Especially suited for your clients who may want to add inflation protection later.

News You Can Use

- The Standard introduced a Preferred Producer Discount of 10% awarded to advisors who place 5 or more individual Disability Insurance policies for unique individuals. The discount can be applied to qualifying Protector PlatinumSM and Business Overhead ProtectorSM policies and will remain throughout the life of the policy. This is a great value you can offer your clients. Call us at 877.455.9580 for more details.
- MetLife is running a DI Jumpstart Program that began during Disability Insurance Awareness Month and will run until September. Producers can earn additional sales income by receiving a compensation bonus for selling qualifying individual disability insurance policies. Policies must be issued and placed on or before September 15, 2014 to qualify for the bonus. Call us at 877.455.9580 for details on how to qualify.
- Pacific Advisors is pleased to help sponsor Ben Towne Foundation's 2014 **benefit** that takes place at the WaMu Theater at CenturyLink Field on Friday, September 19, 2014. The **benefit** fundraiser proceeds will go toward groundbreaking immunotherapy research happening at the Ben Towne Center for Childhood Cancer Research. Tickets are available to the general public. For more information about the event or to purchase tickets, go to www.benefit2014.org.