

Brokerage News

Bringing income protection to light.

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2016 Year in Review

With 2016 coming to an end, we've compiled a review of carrier updates and news that occurred throughout the year. Now is a great time to review this information to see how you can use it for your clients in 2017:

February:

- **Principal** unveiled a new Disability Buy-Out (DBO) insurance policy in approved states. Highlights of the new product include:
 - **Competitive pricing** - Double-digit decreases¹ and attractive 6A rates for preferred occupations.²
 - **5% Preferred Business Owner Discount** for the DBO policy when the owner purchases or owns another Principal Life IDI policy.
 - **One-Way Buy Out** feature for sole proprietors helps fund buy-sell agreements.
 - **Benefit Update Valuation rider** - Provides and informal valuation of the business every 3 years to identify benefit increase and exit planning opportunities.
 - **More flexibility** - Full Benefit Continuation rider, coverage to age 65 or 67 and increased death benefit.

¹Not approved in all states.

²The 5A-Select Discount is no longer available. All 5A-Select occupations moved up to 6A except executive/office manager/professional (earning between \$60,000 and \$75,000 for the last two years) and pharmacist. These occupations are now 5A for DBO insurance.

March:

- **The Standard** Multi-Life Discount was reduced to three lives. Three applications can now be submitted within a six month period to establish an Employer-Based Multi-Life Discount. The 10% discount off gender-distinct premium rates is now applied to only Protector PlatinumSM and Business Overhead ProtectorSM policies. The change does not apply in the states of FL, OH, NJ and NY, where the requirement of five submitted applications in a 24 month period remains.

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- **Mutual of Omaha** introduced Priority Income ProtectionSM which extends coverage to all occupations. The product covers off-the-job injuries and illnesses via a simplified underwriting process that does not require financials or medical underwriting.

April:

- **The Standard** upgraded ten surgical occupations from a 3P to a 4P occupation classification for individually underwritten Protector PlatinumSM and Protector+SM (in Vermont) policies.
- **Ameritas** changed occupational classification for licensed veterinarians from the medical occupation 'M' classification to the non-medical occupational 'A' classification for the DInamic Foundation Noncancelable and Guaranteed Renewable, Guaranteed Renewable and Business Overhead Expense disability contracts.

May:

- **Assurity** enhanced the Residual Disability Income Rider and Guaranteed Insurability Option (GIO) Rider for their Century+ Disability Income Insurance product.
 - **Residual Disability Income Rider:**
 - Extended residual benefit period
 - Improved residual benefit calculation
 - **Guaranteed Insurability Option Rider:**
 - No limit on increase options
 - Greater benefit increases
 - Increased flexibility in option timing
 - Extended issue ages and renewability
 - Higher sum of allowable increases

July:

- **Principal** enhanced their TeleApp interviews:
 - **Interviews on-demand** - Preferred method: No appointment necessary. Clients get Part B of their insurance application taken care of immediately.
 - **Enhancements to the follow-up process:** In addition to leaving a voice mail, a series of reminder emails are sent to clients and field contract.
- **Principal** made premium payments available online for Principal policy owners. Policy owners can make both premium and loan payments from their checking or savings account.

August:

- **The Standard** increased their income-based issue and participation limits to allow more coverage for all income levels when combined with Group LTD, regardless of carrier. Maximum benefit amounts in relation to income range from \$260 more in monthly benefits for a policy owner earning \$50,000 annually to \$1,250 for a policy owner earning \$750,000 annually. Additionally, participation limits with Group LTD for The Standard's individually underwritten products, including Protector PlatinumSM, Protector+SM and Protector EssentialSM, increased by \$5,000 for several occupation classes.

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September:

- **MetLife** discontinued individual disability insurance (IDI) sales. The discontinuation affects the fully underwritten IDI line under U.S. Retail, The Group, Voluntary & Worksite Benefits business continues to market and sell Group Disability Insurance/Guaranteed Standard issues business.

October:

- **Ameritas** increased the maximum participation limits with other individual DI to \$30,000 and increased group long-term disability to \$35,000 on individual disability income contracts for occupational classes, 6A-4A. This is not applicable to Business Overhead Expense contracts or medical occupational classes.
- **Pacific Advisors became Truluma.** We changed our name to better reflect our knowledge, dedication and responsiveness. Our new name expresses how we remain true to you and demonstrates that we are bringing income protection to light for everyone.

November:

- **John Hancock** discontinued individual long-term care (LTC) sales in all states. They will focus on offering LTC coverage as an accelerated benefit rider on their wide range of life insurance products.

December:

- **Genworth** enhanced the Privileged Choice® Flex 3 product in Montana improving Flex 3's competitive position and increase consumer value by including the following product enhancements:
 - Reduced benefit rates as much as 10%
 - Added an Informal Care option for Homemaker and Chore Care
 - Added the option to drop Waiver of Premium
 - Added an Increase Coverage Option
 - Included a Refund of Premium Upon Death Up to Age 65

January:

- **Assurity** enhanced Business Overhead Expense (BOE) product, offering \$20,000 per month to qualified business owners in occupation classes 4A, 3A and 2A. 1A occupations are not eligible for BOE.
- **Principal** made changes to the Simplified DI Program in California:
 - **Simplified DI Single-Life (benefits up to \$4,000/month) is no longer available.** Customers can still get coverage, but Principal requires an APS, prescription drug check and financials for all IDI applications.
 - **Simplified DI Multi-Life (benefits up to \$6,000/month) continues to be available on cases with three or more lives** with the addition of an Rx check. If all three applications are not submitted together, the carrier requires an APS and financial on the first two applications, but not for the third application or any subsequent applications for that case (unless required by the underwriter).



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Things to Look for in 2017

- Standard will announce a new Individual Disability Insurance product at the start of the new year. Keep an eye out for our email and postcard with the details of the new product.
- Our new and improved website will be coming out in 2017. Be sure to look for our announcement!
- You can find educational opportunities throughout the year on our website in our Upcoming Events section, as well as useful tools such as online quotes, downloadable applications, the latest DI industry news, producer resources and much more! Visit our website at www.truluma.com.
- We offer an online DI quote form that you can provide to your clients that can be customized with your logo. You can use this quote form as a link on your website or in your email or embed it into your website. Contact Jaymie Mayers at 877.455.9580 or jaymie@truluma.com to create your customized online quote form and for more information.