

# Spotlight

Spring 2019



## Bringing Income Protection to Light

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# It Can Happen to Anyone

*proclaimed “true believer” in Disability Income Insurance, having bought five policies on himself over the years, he never thought he would end up needing the coverage. Now, he is on total disability due to his battle with bone marrow cancer, and is experiencing first-hand the vital role IDI plays in keeping a household together during a time of crisis.*

*Doug Waters spent most of his 30-year insurance career working to convince people to sell and own Individual Disability Income Insurance. He ran the IDI product line and IDI distribution at Ameritas, and most recently was head of IDI sales at The Standard. Although he was a self-*



*photo courtesy of Doug Waters*

“ I’VE TALKED FOR MANY YEARS ABOUT PEOPLE BUYING IDI SO THEY CAN HAVE PEACE OF MIND. BUT THIS WAS THE FIRST TIME I GOT TO LIVE IT. ”

It was nearly 5 p.m. on the first Friday of January, 2018, and I was finishing up a few final e-mails before getting a start on the weekend. My cell phone lit up with my doctor's cell number, and my heart skipped a beat. I had been undergoing tests to figure out the cause of some strange, severe back pain, along with unusual fatigue. I knew it wasn't a good sign that the doctor was calling me late on a Friday, and, sure enough, he proceeded to tell me that my blood tests revealed the unmistakable markers for bone marrow cancer. "It's called multiple myeloma," he said. "I've already set up an appointment for you next week with an oncologist I know." He is my family doctor and also a personal friend, but the familiarity of his voice seemed to fade away, and I had the sensation that he was talking inside an oil drum. Finally, I managed to say, "Andy, how serious is this?" And he said, "Well, Doug, it's serious."

That was my introduction to multiple myeloma. I had never had any experience with cancer. There was no history of blood cancers or any blood disorders in my family. I had spent years eating healthfully, exercising regularly, avoiding risky behaviors like smoking – and now I had cancer. Since I was working from home, my wife, Amanda, got to hear the conversation unfold as well, and we just stood there, staring at each other, having had the wind knocked out of us. We both instinctively knew that our lives had changed forever.

Getting that kind of news late on a Friday means you get the entire weekend to stew over it. We did some poking around the internet, but the conflicting information, the horror stories, etc., were too much, and we decided to stop looking for a while. Neither of us slept much that weekend.

While lying awake, I tried to discipline my mind, and not play out a lot of what-if scenarios. But I couldn't help it.

A feeling of panic washed over me as I thought about leaving my wife alone, and one of the first things I did was add up all the life insurance I had in place. It was a big number, and I felt relieved about that.

Then I began playing out an even worse scenario: what if I lived, but was impaired, and could no longer work? What would become of us financially? Would all that work and effort around financial planning vaporize? I got out of bed and got out my personal IDI policies, and began adding up the monthly benefit. The total amount was not enormous, since I've always had Group LTD. But the payments would be tax-free, since I had been paying the premiums, and the total figure was enough to calm me down. In fact, a feeling of relief washed over me, and I felt a sense of peace for the first time in quite a few hours.

I've talked for many years about people buying IDI so they can have peace of mind. But this was the first time I got to live it. The peace of mind these policies gave me from that moment forward was one of the best things that ever happened to me. I didn't know whether they would ever pay out, but that was all right; just knowing they were there in case I got to that point was enough to replace panic with peace. I'm amazed at the number of people who don't buy IDI, saying, "What if I never use it?" Yeah, staying healthy throughout your working years would be a real bummer, wouldn't it? I don't hear people saying, "What if I own homeowners insurance for years, but my house never burns down?" People don't say that, because it's an absurd thought. Insurance is supposed to be there in case catastrophe hits, but we hope it never does. For me, having IDI in place was worth every penny I had paid over the years.

I've been on this cancer-fighting journey for over a year. For the first half of 2018, I continued to work full-time,

*(Continued on page 4)*

(Continued from page 3)

albeit without the ability to travel. But in July I finally had to take a medical leave to devote myself to a ramped-up treatment plan. Even then, I firmly believed I would improve enough to get the disease into remission and return to work. By late November, I had made a lot of progress, but still was not in remission, and it was obvious I would not be able to come back to the job I loved.

My doctors and I remain optimistic about the long-term future, but the side effects of the treatment and the fact that I'm still not in remission prevent me from being able to work for the foreseeable future. I am now on total disability, having had my hand forced by this disease. I am receiving monthly benefits from my IDI policies, and not a week goes by that Amanda and I don't talk about how grateful we are to have that significant financial piece in place, and where we'd be without it. Group LTD is a great foundation and an important contributor, but it falls short of doing the whole job in shoring up your finances. Supplemental IDI coverage completes the picture, especially when you consider that some expenses go up, such as having to pay COBRA premiums.

HERE ARE  
THREE  
TAKEAWAYS  
FROM MY STORY  
THAT I HOPE ALL  
OF YOU WILL  
TAKE TO HEART:

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*1 It can happen to anyone. I never thought I'd get cancer. I never thought I'd actually use these IDI policies. But I was struck down, and it can happen to you, and it can happen to any of your clients. Be prepared.*

*2 Never sell short the idea of peace of mind. Knowing that a safety net is in place is of incalculable value when you're wrestling with all the emotions surrounding a catastrophic hit to your health. Don't let your clients get away with the ridiculous objection, "What if I never use it?"*

*3 Many people don't buy IDI because they have Group LTD. But as I said above, while LTD is important, it falls short, especially for above-average earners. And don't forget, the definitions in Group LTD pale in comparison to those in good IDI contracts. There are numerous scenarios where a claim may be denied for Group LTD but approved for IDI. Supplemental IDI is a critical component of any good financial planning.*

Pretty ironic, isn't it, that a guy who devoted his career to leading sales and distribution organizations at major IDI carriers is now on the receiving end of disability benefits? I sometimes wonder, where would we be had I worked in another industry? Would some broker, like you, have found me, educated me, and convinced me to buy the IDI we needed? I shudder to think of having to live now without it. Have you prepared your clients? Have you prepared yourself? *It can happen to anyone.*



## Join Our Collective Loyalty Program

The Truluma team is thrilled to introduce our new Collective Loyalty Program, designed to provide exclusive care and rewards, above and beyond our unparalleled customary attention, to advisors who consistently write business with us. Join our collective with only 6 paid policies within a calendar year<sup>1</sup> and experience the unique benefits illustrated below.

Email [marketing@truluma.com](mailto:marketing@truluma.com) for further information

REWARDS	COLLECTIVE 6 Paid Lives in a Calendar Year	SILVER COLLECTIVE 12 Paid Lives in a Calendar Year	GOLD COLLECTIVE 18 Paid Lives in a Calendar Year
Event Funding <i>for hosting clients or prospects</i>	\$250	\$750	\$1500
Branded Marketing Brochures + Flyers			
Custom-Designed Marketing Brochures + Flyers			
Branded Marketing Videos			
Advisor Quote Engine			
Annualized Commissions from Principal <sup>2</sup>			
Annualized Commissions from The Standard <sup>2</sup>			
Complimentary Virtual Assistant Services			
Sales Consulting Sessions			

<sup>1</sup> GSI cases are considered one life / <sup>2</sup> Where available



**Fast Start  
Bonus\***  
**\$500**

You can earn **\$500** when 2 applications totaling \$2,000 annualized premium are paid within your first full quarter of being contracted with us.

**DI Quarterly  
Incentive\***  
**\$300**

You can earn **\$300** when 2 applications totaling \$2,000 annualized premium are paid within a qualifying quarter in 2019. And, you have the opportunity to earn more quarterly incentive cash!

**Combine our  
Quarterly DI Incentive  
with our  
Fast Start Bonus  
to earn \$800  
with your first two  
applications!**

*\*Specific details apply*

**Contact  
Truluma today  
for further details.**

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## 2019 Second Quarter Carrier Webinars

*Learn new approaches or refine your existing skillset with these in-depth training sessions offered by industry-leading carriers. Contact our office if you find any troubles accessing a session.*

Monday, April 8, 2019 – 8 a.m. PT

### *Business Overhead Expense Policy Provisions*

Most business owners don't think about what would happen to their business if they suddenly became too sick or hurt to work. As revenue decreases, the expenses of running the business continue. Understand the features and riders of BOE and the clients it should attract.

Presented by Ameritas; register here: <https://bit.ly/2HqaypD>

Monday, April 15, 2019 – 8 a.m. PT

### *Benefits of Using eApply for Submitting DI Applications*

Save time and money with eApply by ensuring your DI applications are in good order. This software guides

you through requirements of submitting new business applications electronically, including the EZ application process. This session will demonstrate entering and submitting a DI application online.

Presented by Ameritas; register here: <https://bit.ly/2CrM10b>

Monday, April 22, 2019 – 8 a.m. PT

### *Disability Insurance Awareness Month Tools*

As a strong supporter of DI Awareness Month, Ameritas has developed resources to help you educate clients on the need for income planning and protection. Familiarize yourself with marketing materials and tools available.

Presented by Ameritas; register here: <https://bit.ly/2CfHEoM>

Thursday, April 25th, 2019 – 9am PT.

### *Turning Objections into Opportunities.*

Learn how to handle common objections and turn them into sales opportunities.

Presented by Assurity; register here: <https://bit.ly/2TJA3sA>

## LOSS OF LICENSE

Superior Income Protection  
for Professional Pilots



**PETERSEN**<sup>®</sup>  
INTERNATIONAL UNDERWRITERS

Monday, April 29, 2019 – 8 a.m. PT

### *DInamic Foundation Student Loan Repayment Rider*

Many graduates start their careers with high amounts of student loan debt. Help them invest in protection that will pay on their student loan(s) if a sickness or injury prevents them from earning an income.

Presented by Ameritas; register here: <https://bit.ly/2F7nAqt>

Monday, May 6, 2019 – 8 a.m. PT

### *Why DI Insurance? For your clients and for you.*

Learn the importance of DI and how to talk about it with your clients, as well as why it's important for you to include DI in your own business plans.

Presented by Ameritas; register here: <https://bit.ly/2UtBd8l>

Monday, May 13, 2019 – 8 a.m. PT

### *Overcoming Objections When Selling DI*

Ever had clients list reasons why they can't or won't purchase DI? Gain useful and valuable ideas to use in helping them see the necessity of DI.

Presented by Ameritas; register here: <https://bit.ly/2UwgyAI>

Monday, May 20, 2019 – 8 a.m. PT

### *Placing Substandard DI Cases*

Learn how to perform field underwriting while meeting with clients and taking DI applications. Gain skills to become instantly aware of any potential problems that may affect the underwriting outcome. Also included: tips for getting clients to accept substandard offers.

Presented by Ameritas; register here: <https://bit.ly/2TAp6KC>

Tuesday, May 21, 2019 – 8:30 a.m. PT

### *Opportunities to maximize your IDI sales*

Learn to quickly recognize IDI opportunities and discuss the various products available.

Presented by Principal; register here: <https://bit.ly/2Uxsr9x>  
(password: Insider), or: Dial 1-888-804-6749; Conference ID: 2119366418

Monday, June 3, 2019 – 8 a.m. PT

### *Key Financial Underwriting Concepts*

Learn how underwriting determines the amount of IDI or BOE to be approved, and understand the various tax schedules needed to collect and submit with a DI application. A DI underwriter will outline the most important factors of the process and provide you with key items to keep in mind when meeting with potential clients.

Presented by Ameritas; register here: <https://bit.ly/2HuDQmW>

Monday, June 17, 2019 – 8 a.m. PT

### *The Importance of Salary Continuation Planning*

Understand concepts behind a DI sales technique: Salary Continuation Planning. Learn what it is, why business owners need it, and the benefits around buying DI as a way of funding it.

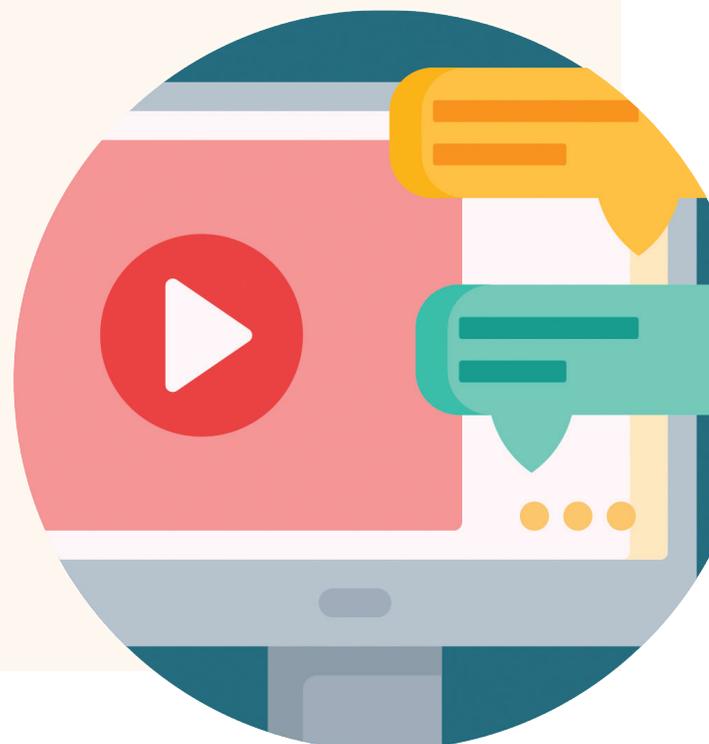
Presented by Ameritas; register here: <https://bit.ly/2TAEFBS>

Monday, June 24, 2019 – 8 a.m. PT

### *Create More Sales with our GSI Program*

Learn the appropriate markets for GSI sales, advantages of selling DI on a GSI basis, the product and underwriting guidelines, and the process for quoting and enrolling cases.

Presented by Ameritas; register here: <https://bit.ly/2Hsg6Ql>



## Is the Value of Non-Cancelable a Myth?

*At first glance it appears obvious: a DI policy that cannot be canceled and includes a provision where premiums will never increase is clearly a much better deal for the consumer than a policy that, while guaranteed renewable, has no limits on premium increases. But hold on for a second...what's the cost of peace of mind included in a non-cancelable policy at a locked-in premium?*

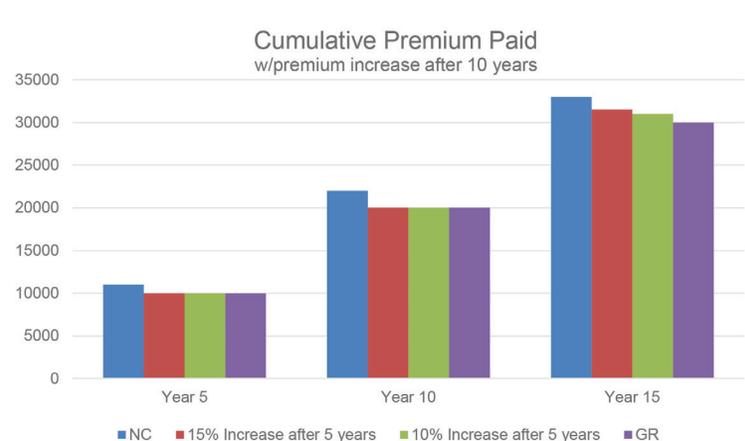
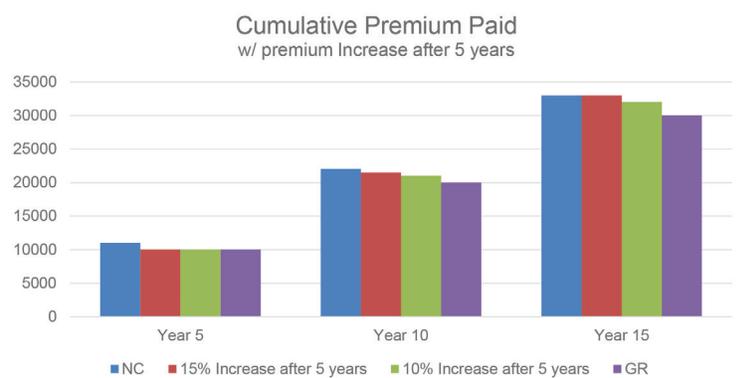
**The Price of Peace of Mind** The premium difference between a non-cancelable DI policy and a guaranteed renewable DI policy (wherein the coverage cannot be canceled, but premiums are not guaranteed) is typically 10 to 20 percent, with non-cancelable being more costly due to premium guarantees.

Consider what this means to two clients who buy otherwise identical non-cancelable and guaranteed renewable versions of the same DI plan. The non-cancelable policy has an annual premium of \$2,200, compared to a \$2,000 premium for the guaranteed renewable plan (the cost represents a conservative 10 percent premium load for the non-cancelable policy). Assuming that no rate increases are implemented on the guaranteed renewable coverage over the next 15 years, the non-cancelable buyer will pay a total of \$3,000 in extra premium (\$200 a year for 15 years).

The non-cancelable buyer pays this extra amount for peace of mind while the guaranteed renewable buyer is never certain what premiums will be until a notice arrives in the mail. The real risk to the guaranteed renewable buyer is this: if the insurance carrier increases the premiums to adjust for unexpected poor experience, and the buyer is now too old or has suffered a medical condition since the policy was issued, a newly-underwritten version

of the same policy through another carrier may be too expensive or, worse, unobtainable.

**Do the Math** Does this risk hold up to scrutiny? By adding the total premiums paid over 15 years, we find that in order for the non-cancelable to be a better deal, the guaranteed renewable carrier must implement more than a 15 percent rate increase after the first five years of coverage or alternatively more than a 30 percent rate increase after the first 10 years. But this ignores the interest (investment return) on the \$200 the guaranteed renewable buyer saves each year. At a conservative 4 percent, after-tax rate of return, the future value of the \$200 premium differential over 15 years is more than \$4,164. With interest, this means the guaranteed renewable rate increase would need to be 30 percent after five years or 60 percent after 10 years in order for the non-cancelable policy to be the better deal.





# Offer the Coverage You'd Buy for Yourself

Feel good about offering your clients the kind of individual disability insurance you'd like for yourself. Start with our strong contract and exclusive Family Care Benefit, then add the features they need. The payoff is coverage you both can trust.

**Learn more about Platinum Advantage income protection insurance. Contact Truluma today.**

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by, and the sole responsibility of, Standard Insurance Company of 1100 SW Sixth Avenue, Portland, Oregon, in all states except New York. Product features and availability vary by state. Standard Insurance Company is licensed to solicit insurance business in all states except New York.

SI 19239TRU (3/19) PR [Standard Insurance Company | standard.com](http://Standard Insurance Company | standard.com)



Is this probable? Anyone who has been in the DI business the last few decades knows that guaranteed renewable DI rate increases are few and far between and if they do occur, they tend to be modest. DI rate stability isn't surprising, considering the coverage has been around for more than 100 years. Carriers that design and price products incorporate industry experience that spans multiple economic cycles, target markets and benefit features.

**Is Non-Can Peace of Mind Still Worth the Extra Premium?** Non-can policies certainly have their place and are often used to ensure rate stability that some clients desire, but products with a GR structure can be a good fit for value-based consumers or when budgets are tight.



## We are HONORED

*Truluma is honored to receive the following distinguished industry awards. We would like to thank all of the advisors who entrust us with finding the very best income protection solutions for their clients.*

### PRINCIPAL'S RECOGNITION CIRCLE

Honoring Principal's Leading Distribution Partners

### THE STANDARD'S TOP TEN

Recognizing The Standard's Top Distribution Partners

## Unum and Truluma

Unum is the newest addition to Truluma's line-up of industry-leading carriers that offer guaranteed issue IDI options, joining The Standard, Principal, Ameritas, Lloyd's and Met Life. The addition of Unum to Truluma's platform expands income replacement opportunities in the physician market. Additionally, Unum is one of two carriers that will consider extending guaranteed issue offers on as few as 3 employees



*"To be included in the very exclusive group of organizations selected to represent Unum's DI guaranteed issue product line is a great honor. It speaks volumes about the expertise and quality of people in our organization."*

JEFF PETERSON, CLU  
TRULUMA PRESIDENT/CEO

### Unum's Guaranteed Issue Plan Highlights:

- Guaranteed Issue available on as few as 3 lives
- Guaranteed Issue coverage available for Physicians
- Employer Paid or Voluntary options
- Serious Illness Benefit: pays a one-time lump sum benefit, in addition to the monthly benefit, for a total disability resulting from cancer, stroke, or heart attack
- State-of-the-art enrollment capabilities
  - » Online enrollment
  - » Phone enrollment
  - » Paper enrollment
- Simplified buy-up options for employees who need additional coverage

## UNUM AT A GLANCE

**36 MILLION**

people protected worldwide

**193,000**

Businesses in the U.S. and the U.K.  
offer benefits provided by Unum

**NEARLY \$7 BILLION**

in benefits paid each year

**1 IN 3 FORTUNE 500  
COMPANIES**

offer Unum benefits to their employees

**# 267** on the Fortune 500 list

**4.7 OUT OF 5 STARS**

97% reviewers recommend Unum products



**Sickness and injuries can be financially devastating.**

**Make the call to include disability insurance from Ameritas as part of your clients' financial game plan.**

In approved states, Dynamic Foundation (forms 4501NC, 4502GR and 4503NCBOE) is issued by Ameritas Life Insurance Corp. In New York, Dynamic Foundation (forms 5501-NC, 5502-GR and 5503NCBOE) is issued by Ameritas Life Insurance Corp. of New York. Policy and riders may vary and may not be available in all states.

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## A New Way to Buy DI

*In a world where Amazon, Uber, and Airbnb have revolutionized user experiences, the insurance industry has struggled to keep up. The good news is, InsurTech is gaining tremendous traction in our industry as a concept that merges technology and insurance, bringing efficiency to products and solutions for advisors and their clients. Finally, some long-awaited changes are underway.*

It's true that *hi-tech disability insurance* has been a bit of an oxymoron. We've seen some baby steps forward in the last couple of years as select carriers have introduced e-apps, e-signatures and e-delivery. Yet even with these improvements, agents and advisors need to be involved throughout the process and typically do the heavy lifting. That results in the client having to do things based on the advisor's time schedule, not when they want to.

Fortunately, another new, efficient technology has come to the income protection world. Thanks to a partnership between a carrier, a reinsurer and a third-party administrator, your clients can now buy disability insurance through an "Amazon-like" experience. Clients can obtain a quote, apply and get coverage in as little as 15 minutes online. And: they can do it all on their schedule, without relying on the advisor to guide them through the process.

Now, before you think we're advocating a direct-to-consumer model that eliminates the need for an agent or advisor, nothing could be further from the truth. What we know about DI is that nobody wakes up thinking, "I need to get myself some disability insurance today!" Income protection products are not bought; they're sold. That means we need agents and advisors as "navigators" in the process.



With this new technology, agents and advisors still act as navigators for their clients. The duties of the navigator are to (1) communicate and market to clients, (2) help educate clients about the importance of income protection and (3) drive clients to their own, agent-customized website that allows clients to quote, apply and buy a DI policy within a 100% online experience. This new way of buying DI helps the industry reach the nearly 100 million working Americans who have no form of private disability insurance.

This solution is NOT for agents and advisors who are marketing to physicians, dentists, attorneys or highly-compensated executives. But if your market includes other occupations, this might be a great platform to use.

Interested in marketing an income protection solution with a 100% online user experience that requires no financial documentation, exams or blood work, needs no medical records, and renders an immediate underwriting decision? Contact our office for more information.



## Truluma Corporate Office

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Seattle, WA 98103

**truluma.com** Bringing Income Protection to Light  
SEATTLE | PORTLAND | DENVER | ALBUQUERQUE | FOREST CITY

877.455.9580 / info@truluma.com

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## News You Can Use / Q1 2019

*Find more details on the info below, along with all of our real-time industry updates in the News section of truluma.com. Be sure to contact us to subscribe to our monthly e-News, delivered right to your inbox.*

### **Ameritas Announces Increase in Maximum Issue Limits on IDI Contracts for Physicians, January 2019**

Effective immediately, for issue ages 55 and under only, Ameritas' maximum issue limit for 6M, 5M and most 4M occupations is \$20,000 per month on individual disability income contracts. For all ages, Ameritas' maximum participation limits for 6M, 5M and most 4M occupations are \$30,000 with other individual DI coverage and \$35,000 with Group LTD. Contact Truluma for more information.

### **Genworth Suspends Sales of all Individual LTC and Income Assurance Annuity through BGA, March 2019**

Effective Monday, March 11, 2019, Genworth will temporarily suspend sales of individual long-term care insurance and the Income Assurance annuity through Truluma/the BGA channel in all states. Genworth will continue to sell these products through other channels. Contact Truluma for further information

### **Ameritas Announces 20 Percent Discount for Medical Residents, March 2019**

Effective April 1, 2019, Ameritas will provide a 20% discount for all medical residents/fellows. Contact Truluma for more information.



## Financial security starts with income protection

Protect your clients with individual disability insurance (IDI) from Principal.

**Contact your local Principal representative to learn more.**

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