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Your Prospects

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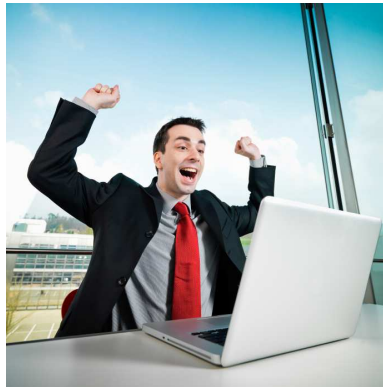
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ROP Term is Alive and Well

By Cindy Gentry, CLU, ChFC



Did you read about the threats that ROP Term would be gone by the end of 2009? In a April 2009 Insurance News Network article by Steve A Morelli, a prominent BGA stated "*ROP term will be gone by the end of the year*".

January 1, 2010 brought about increases in rates for ROP term to comply with NAIC Actuarial Guideline XLV, new guidelines sets the minimums cash values for ROP Term policy forms filed after December 31, 2008 and policies issued after December 31, 2009. The change did cause some carriers to drop out of the ROP market all together; others increased rates to cover the required reserving and survived 2009.

Those that did survive are alive and well. Our carriers that survived the cut are:

- Transamerica
- ING
- Prudential
- American General
- American National

When was the last time you mentioned ROP Term to your client when discussing term life insurance? You may be surprised at how many of your clients have never heard of ROP Term and would happily discuss the possibilities the product has. Here are some question that might help you get the conversions started:

- **Existing clients with term policies:** Would you like to buy a term policy where you get your money back? Buy a return of premium term policy and get all your money back at the end of the term period.

- **Insurance policies in divorce situations:** Would you like to receive your money back on the court mandated insurance policy you put in place? Buy a return of premium term and get all your money back once you have completed your obligation.
- **Gift giving and insurance for grandchildren:** Would you like to protect your grand children in case of their parents' premature death and give them a gift? Have the grand parent pay for a return of premium term policy on the parent and give the lump sum they receive at the end of the term period to the grand children as a gift.
- **Lump sum gifts from Grandparents:** Would you like to stretch your lump sum gift to your grand kids? Grand parent can set up a SPIA with a lump sum that generates a monthly benefit and use it to buy a return of premium term policy on the parents of grandchildren which in turn will return the entire premium that was paid.
- **Business buy sell agreements:** Would you like to make sure you have the ability to buy out your partner's share of the business in the event of his untimely death and yet not be out of pocket? Each partner can buy a Return of Premium policy on the other partner. At the end of the term period, they can get all the premium back.
- **Key man policies:** Would you like to protect your company incase of the loss of your key person and yet not be out of pocket if he lives? The Company can buy the Return of Premium policy on the key employee. The refund at the end of the term can be used to give it the key employee as a bonus.
- **Jump start a retirement plan:** Would you like to gradually start saving towards retirement while protecting your family against loss of income from your untimely death? Buy one UL policy and another return of premium policy, and use the refund of premium to fund the UL to accumulate cash value towards retirement.

If you want to learn more about the concept above and others Brown & Brown Associates can help. We've developed an ROP Strategies Guide packed with the fresh ideas you need to close more ROP Sales. Call or email to order you *free* copy of our ROP Sales Guide. 800.747.4445 or moremoney@brownbrown-assoc.com. Do it today!

Using Policy Death Benefit While Living



Would you think more of your clients would buy life insurance if they knew they could use their death benefit prior to death? Well, that is exactly what they can do when the policy has a Living Benefit or Accelerated Benefit Rider. These riders allow your client to access up to 100% of their policy

death benefit prior to death for terminal illness and with some carriers; Nursing Home Care. This benefit can be put on either term or permanent life insurance and the best part is

it's a free rider.

So let's take a look at how it works with one of our carriers that has one of the better Living Needs Benefit riders. Your client Elaine has a \$500,000 policy. She enters a nursing home and is confined for six months with no expectation of being relieved. Elaine can make a Living Needs Benefit claim which has pretty much the same effect as a death claim except the Elaine doesn't have to put in a claim for the full amount, she can make a partial claim. If she makes a partial claim for \$250,000 on a \$500,000 policy, this will reduce the actual face amount of the policy to \$250,000. If Elaine makes a full claim, that effectively terminates the policy, just as the

payment of a death claim would cause the policy to end. So, essentially, Elaine could receive her death benefits prior to death, if she meets the criteria, even if she does not pass away within six months.

What about taxations of benefits prior to death? Living benefits are generally excludable from Federal income tax as long as the insured satisfies the tax law definition of "terminally ill" or "chronically ill". We would, of course, recommend that the policy owner consult with a tax advisor about how a claim for Living Benefits may impact their personal situation.

To learn more about this added value life insurance can bring to your client. Call or email Cindy Gentry (cindy@brownbrown-assoc.com) or Gail Yantis (gail@brownbrown-assoc.com) for your Living Needs Benefit information today.

***Have You Completed Your New,
Texas Required Annuity Sales
Training?***

Effective April 1, 2010, the Texas Department of Insurance ("the Department") will require that all resident licensed producers soliciting annuities in the State of Texas complete a four hour annuity training course. In addition, resident licensed producers will be required to complete a four hour continuing education course annually in order to continue to solicit annuities in the State of Texas.

The initial four hour training must be completed prior to soliciting annuities products in the State of Texas. The annual four hour continuing education course will also be required prior to soliciting annuities products subsequent to the producer's license renewal anniversary. Please read the following details to determine when resident producers are required to fulfill the Texas Annuity Training requirement in order to sell, solicit, or negotiate the sale of annuity products:

New Licensees on or after April 1, 2010

If you are not licensed prior to April 1, 2010 and you obtain a new Life or Accident and Health license which is issued on or after April 1, 2010, you are required to complete a four hour annuity training course before selling, soliciting, or negotiating the sale of any type of annuity and you must complete four hours of annuity continuing education annually during each year of your biennial renewal periods following the certification period if you want to continue selling annuities.

Existing Licensees on April 1, 2010

If your license is or was issued on or before April 1, 2010 and is active on April 1, 2010, you may continue to sell, solicit, or negotiate the sale of annuities without taking a training course after April 1, 2010, up and until, the first renewal date of your license which occurs after April 1, 2010.

To be able to sell, solicit, or negotiate the sale of annuities on or after the first renewal date of your license which occurs after April 1, 2010, you must complete a four hour annuity certification course and four hours of annuity continuing education annually during each year of your biennial renewal periods following the certification period if you want to continue to sell, solicit, or negotiate the sale of annuities. Completing the four hour certification course prior to your first renewal date which occurs after April 1, 2010 is advisable so that there would be no interruption in authority to sell, solicit, or negotiate the sale of annuities.

The Department uses Sircon, a third-party education provider, to facilitate training requirements, retain approved annuity training course and vendors, and to retain agent training and continuing education records. Approved annuity training courses can be found on the Sircon website at www.Sircon.com.

To get your free Sircon Annuity Training Guide or if you have any questions please contact Arjelia Cabrera (Arjelia@brownbrown-assoc.com) 800.747.4445 or 361.993.3820

Your clients Want and Need Long Term Care Insurance

Brown & Brown Associates, P.C. wants to provide you and your clients with the knowledge and skills you deserve with experts in LTC insurance. For that reason we are working with a new partner for LTC insurance - LTCi Partners.

By working with LTCi Partners, you have access to the highest quality long-term care insurance products available, equipped with an expert staff whose sole focus and passion is recommending long-term care planning solutions.

From product education to advice on communicating the need, LTCi Partners will provide you with everything you need to fulfill this crucial portion of your client's complete financial plan.

Learn more about LTCi Partners and all they can do for you by request a copy of their welcome Kit at 800.747.4445 or 361.993.3820.

New for 2010! Brown & Brown Associates Annuity Sales and Service Center

Have you ever struggled, spending way to much time trying to find the right annuity product or answers to your annuity questions? It's easy when you have a trusted resource. To your advantage Brown & Brown Associates now has a fully staffed Annuity Sales and Service Center. With our new center you get:

- More carriers and product choice to fit your client needs
- Experienced sales staff to direct you to the right products
- Quick illustrations

All just a phone call away

If you are ready to learn more about how our **NEW Annuity Sales Center** can help you close more annuity sales, just give us at 800.747.4445 (361.993.3820) or visit our web site at www.brownbrown-assoc.com, click the Annuity Service Center button on the home page.



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This Months Issue –

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