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## Your Prospects

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### ***Whole Life – Ho Hum?***

### ***Not Any More!***

*By Cindy Gentry, CLU, ChFC*



Believing that history tends to repeat itself; in the past the individual insurance market generally emerged from economic downturns unscathed. This time, the economic downturn has dramatically affected sales. Economic pressures also continue to other factors that effected sales including rating downgrades, drops in product offerings, and smaller policies being sold. The one shining star however has been Whole Life Insurance. According to

LIMRA, Whole Life was the only individual life product in which sales increased in 2009.

If you are at the later end of the baby boomers, like me, your insurance career may have come at the emergence of Universal Life, and when you hear the words "Whole Life Insurance" a yawn may come to your lips, along with your eyes glazing over. Well, wake up! Whole Life Insurance of today is not the old foggy product of yesteryear.

Why the resurgence of this product? Your clients are going back to what they can trust and thanks to the conservative investments; whole life delivers guaranteed cash value, death benefit, and premiums.

But what about the cost and lack of flexibility? True, Whole Life has been touted as not having the flexibility of Universal Life and is one of the more costly life insurance products; however you have to look at the return over time. It is a permanent life insurance product that offers strong, tax deferred cash value growth. And, as far as flexibility goes, using premium offset or paid up additions can give your clients some of the flexibility they need. They can also use policy withdrawals in later years to offer a Return of Premium element. Blending of Term with Whole Life has also become very popular as of late.

## *Your Sales can Double with Insurance on Non-Working Spouses*

Let's look at some of the flexibility that Whole Life (WL) offers using a "Blended" scenario for the client looking for something with competitive premiums and guaranteed death benefit like UL, but has cash value as well. In this case your client is a healthy 45 year old male needing \$1,000,000 of coverage and understands the advantages of tax deferred cash value growth, being a bit conservative. Showing him a blended scenario using 500,000 of WL at a annual premium of \$8,070 and \$500,000 30 year term for \$779 annually giving him a total face amount of \$1,000,000 for \$8,849 annually. Sounds ok, but how does that compare to Universal Life? Comparing it to one of our better Guaranteed Death Benefit Universal Life products we have an annual premium of \$6,596, that's a \$2,253 difference! "Wow" you might say, "Why would my client do that?" Let's look a bit closer. If your client buys the UL and lives for 20 years, he will have paid \$131,920 into the policy and have \$0 cash value. If he buys the WL blended product he will have paid in \$176,980 but have \$167,000 guaranteed cash value and \$242,769 current cash value. This is much more of a value to your client for the additional premium.

To add to the flexibility of the product you can even add "Return of Premium" to the term contract and have those premiums on the term of \$23,370 return to your client after 30 years enhancing the product even more. Or the client could convert the term at then end of the term period to continue the face amount and conserve the mortality rating classification. With a conversion scenario your client may choose to use the policy cash value to pay the additional premium or the entire premium.

I could say the options with Whole Life are endless but that would not be entirely correct; however you may be surprised at the flexibility of the product and how it may fit very well into your client portfolio.

Te learn more about the benefit of using Whole Life, contact myself or Gail Yantis for your sales guide today, just call 800.747.4445.

There is a large gap between the number of men and women who are insured by Prudential. The numbers are staggering – 82% male vs. 17% female.

One way to close the gap is to **TAKE TWO** – applications that is!

If only one spouse is insured, then your clients family may only be half protected. Consider all that a non-working spouse does on a daily basis:

- Managing the household
- Caring for children and/or a parent
- Maintaining the home
- Handling repairs
- And so much more

So, when you are visiting with a male client, be sure to bring along another application for his wife (and visa versa, of course). If she is a stay-at-home spouse, she will most likely qualify for the same amount of coverage as her husband.



To learn more about the underserved women's market give us a call for the most recent Prudential study on "Financial Experience & Behaviors Among Women"

Call today; it might help you close more sales! Please call 800.747.4445.

## *Consider Charitable Giving with Life Insurance*

A gift of life insurance may be an easy way to make a larger gift to charity than could be made using lifetime gifts alone. There are several ways it can be done. Your client may make a charity the beneficiary of a policy the client owns, donate a current policy to a charity, or have a charity purchase a new policy on the client's life.

### **Purchase of New Policy by Charity**

The charity purchases a new policy on the life of the donor or donors. The charity is the owner, beneficiary and premium payer of the policy. The donor makes income tax-deductible contributions to the charity each year sufficient to allow the charity to pay the life insurance premiums. At the donor's death, the policy's proceeds will go to the charity and will not be included in the donor's estate.

### **When It Is Used**

- A client wants to leverage current dollars to provide an enhanced charitable gift.
- A client is insurable and willing to make charitable contributions sufficient to pay for premiums.
- A charity is willing to use charitable donations to purchase a life insurance policy on donor.

### **Advantages**

- Donor receives a current income tax deduction for the amount contributed to charity if within charitable contribution limits.
- Small annual gift may be leveraged into large life insurance death benefit.
- Charity gets a current contribution that can be used to provide a future death benefit.

### **Disadvantages**

- Donor has no obligation to continue making premium payments.
- Charity has no obligation to use donations to make premium payments.
- Charity will have to wait to get full use of donations.

### **Key tax considerations**

- Donor receives a current income tax deduction for the amount contributed to charity, assuming the gift is within the charitable contribution limits.
- Premiums must generally be donated directly to charity for the donor to qualify for the 50 percent of adjusted gross income limitation on current charitable income tax deductions.
- Policy death benefits are passed to the charity outside of the donor's taxable estate.

If you are ready to learn more about how you can generate more sales with Charitable Giving with Life Insurance, give Cindy Gentry or Gail Yantis a call today for your free sales package. 800.747.4445.

## *Save the Date!*

Plans for our upcoming Sales Symposium  
"Building Your Bottom Life"

Are well underway so  
Save the date!

**Friday, October 29, 2010**  
**Corpus Christi, TX**

Make a weekend of it and enjoy the  
Texas Rivera!!

## 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 requesting 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 too 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 a call at 800.747.4445 (361.993.3820) or visit our web site at [www.brownbrown-assoc.com](http://www.brownbrown-assoc.com), and click the Annuity Service Center button on the home page.



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**This Months Issue –**

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