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** BDG STAFF CHANGE **

Many of you may already know that Niki Hoyle is no longer on staff here at Benefit Design Group. We all miss her infinite knowledge of licensing and cheerful presence here in the office. She will remain in the insurance business and has taken a position at another office. We wish Niki and her family the best of luck in the future.

Kathy Rogers has taken over Niki's agent contracting duties. Feel free to call Kathy at any time for your contracting questions or needs!

The information contained in this newsletter is for the sole benefit of producers contracted with The Benefit Design Group only and not to be used with the general public or shared outside of this group without permission.

Our Value Proposition

A question that we must constantly ask ourselves is why should an insurance producer do business with our firm? We can never take your business for granted nor stick our heads in the sand oblivious of all the change in our industry. We must always be totally committed to making your relationship with us filled with as much value as possible. Our commitment to these things is the value proposition we bring to you. It must set us apart and make us important to you and your customers. But specifically, how do we or should we do this?

WE ARE WHOLESALERS. We have to remain true to this premise. We do not compete with you. We do not share commissions. Our job is to make you look good to your customers.

WE BRING A BROAD ARRAY OF PRODUCTS AND SALES IDEAS TO THE TABLE. Keeping up with them all is a major task that we constantly work at. We represent at least four companies in every major product area: life insurance, annuities, DI, and LTC. Your customers want choices and best case solutions. We will always work hard at this.

WE HAVE A COMMITMENT TO SERVICE. We do not have a 10,000 name mailing list. We deal with about 200 producers in around 50 firms. Becky, Kathy & Bill, Jr. are committed to getting your case properly quoted, underwritten, and serviced once it is in force. Ken and I will be actively involved with you at every opportunity.

YEARS OF COMBINED EXPERIENCE. Ken and I have over 60 years of service in agency management. Whether it's preparing a proposal, helping with a marketing plan, or making a joint call with a customer, we know how to get results.

VALUABLE RELATIONSHIPS. Some of us go back several decades in working together. Our relationships are the most valuable asset we have. These extend not just to you, but to our companies and other professionals. They help us operate efficiently but more importantly, they add quality to our lives and help to make a tough job easier.

COMPENSATION. We are definitely competitive and always will be.

THERE YOU HAVE IT. OUR VALUE PROPOSITION WILL ALWAYS BE TAKEN SERIOUSLY.

APPLICATIONS & FORMS

If you have an application that was not recently sent from our office, you may want to give us a call just to confirm you have the correct application form. If an application is taken on an outdated form, it will almost always have to be re-taken. We are always happy to send you by e-mail, mail, or fax, the most current and updated paperwork.

CONTRACTING

Most companies in North Carolina require that you have an agent code before you solicit business. Applications taken without proper contracting is the biggest cause of delay we have in processing your business. If you are unsure of which companies you are contracted to write business, PLEASE CALL US. To get a contract with a new company, be prepared to provide the dec page for your E&O Insurance and also a copy of your insurance license.

WHY POLICY REVIEWS??

The fundamental nature of life insurance is as sound today as it was 100 years ago. It's uniqueness as a financial instrument providing security in an insecure world remains unchallenged. However, the environment today is much different. People live longer, interest rates are lower, products are different. Furthermore, client needs are constantly changing. All of this mandates that financial plans need to be periodically reviewed and that review includes life insurance. If you don't do it, someone else will and you may have lost a client.

Here are some more specific reasons for reviewing a life insurance program.

- § Needs have increased or decreased
- § Beneficiary and ownership arrangements need updating
- § Policy riders need to be deleted or added
- § Current funding is too high or too low.
- § To reinforce the need for the coverage.
- § To improve the underwriting class or tobacco status.

In many cases, we are finding that existing policies can be replaced on a cost effective basis. This is true because:

- § There are policy loans. It might be more cost effective to start over than to pay off the loan which is adding expense to the policy.
- § Low interest rates or high expense charges have affected policy performance.
- § The term period is about to expire and the continuation or conversion options are too expensive.
- § Newer policies being written on improved mortality assumptions and guarantees and other provisions that were not available just a few years ago.

There are also some good reasons to keep an existing policy. A policy review will confirm this and prevent a poor decision. These reasons are:

- § New contestable and suicide periods
- § New acquisition costs and surrender period
- § A deterioration in health
- § Higher policy guarantees

As you can see, replacing an existing policy is not always an easy decision and all variables should be considered. However, policy replacement is a fact of life in our industry today. Replacement is good only if the policyholder benefits. We support good replacements - it's simply good business. Ken and I will be visiting with you shortly with suggestions and tools to help your clients with beneficial policy reviews.

MULTIPLE PROBLEMS MULTIPLE SOLUTIONS

Three main problems are: dying too soon, living too long, and becoming too sick or hurt to work. Your clients deserve protection against all three. You need easy ways to demonstrate these solutions and we have designed a tool to help. Our new **LIFE INSURANCE RESOURCE MANUAL** has been designed to provide concrete examples of various products ranging from term insurance to generously funded UL policies which provide substantial tax free retirement benefits. These examples are provided at ages 25, 35, 45, and 55 so you can show just about any prospect how a particular concept might work. Then you can order or prepare a specific proposal based on his or her particular circumstances and preferences.

Illustrations are provided for the following concepts:

- § **Protection Only.** This is simply a term spreadsheet. It is very low in cost.
- § **Return of Premium Term.** The additional premium yields a 15% return at the end of the 30 year term period.
- § **Catch-up No Lapse Guarantee.** Is guaranteed protection for life necessary when life expectancy is only to age 85? A guarantee to age 85 would save a lot of money. A no interest catch-up provision protects against the possibility of living longer.
- § **No Lapse Guarantee for Life.** There is insurance available at a reasonable price that you cannot outlive.
- § **Tax Free Retirement Benefits.** The potential benefits of this private retirement plan within a life insurance policy are amazing.
- § **Long-Term Care.** Combining LTC with life insurance can cut your LTC costs by 50%.
- § **Policy Reviews.** Because of the many changes in products, tax free 1035 exchanges are sometimes very cost effective.

We have also updated the **UNDERWRITING** section. We have a new program called **RISK TUTOR** which can, on an informal basis, help you to more effectively direct an impaired risk case to the carrier most likely to make the best offer.

WAIVER OF PREMIUM can partially offset the disability problem. There are two types of Waiver. One just waives the expenses usually to age 65 and the other, which is the best, waives the actual premium, allowing the values to increase without paying premiums. We have a **DISABILITY INCOME MANUAL** that provides you with resources to do a complete job with disability coverages.

Ken and I will be bringing your new Life Insurance Resource Manual to you shortly. All we ask is that you spend 45 minutes with us to bring you up to speed in how to use it. Providing you with quality products and the tools to sell them is what we do.