

Review, Renew, Revive!

Proposing IUL Through A Policy Review

Sales Idea

Financial professionals help their clients choose a life insurance policy because it best fits their needs at the time, but have those needs changed? A policy review can help ensure your client's needs and goals are still being met as their stages in life progress. And if they're not being met, you have an opportunity to make recommendations that would help meet their current needs.

As your clients age, they may have more disposable income to work with as they begin focusing more on preparing for retirement. In these situations, one of our Indexed Universal Life (IUL) insurance products could be a great solution. This multi-faceted product line offers death benefit protection, as well as potential growth of the policy's cash value while helping to protect your clients from financial risks.

Here's how proposing an IUL product through a policy review could work for you!

Case Study

Andy, 55, purchased a Whole Life policy with a \$150,000 death benefit in 1988 that has grown to \$200,000. Andy's primary focus when purchasing his policy was to provide a death benefit to his wife Joanna (now 52) in the case of his unexpected death. Now that he's thinking more about retirement, Andy agreed to meet with his financial professional for a policy review.

On the day of the meeting, Andy had \$77,000 cash value in his Whole Life policy. When Andy purchased the policy he was told that the dividend would offset the premium within 18 years. Unfortunately, with the continuing decrease of the dividend scale, this did not happen.

During the meeting, Andy asked his financial professional if he can retain the \$200,000 death benefit that he still currently needs while continuing to grow cash value without having to continue paying premium. At this stage in his life, he doesn't want to take too many risks; he'd like a product that can help offer protection. With his top three priorities of a guaranteed death benefit, potential cash value growth, and possible funding for future serious illness needs, his financial professional recommended the XL-DB4.

With the XL-DB4, Andy has a guaranteed death benefit of \$222,180 and the potential to grow his cash value to \$120,303 by age 66. Plus, he has access to an accelerated death benefit endorsement that the Whole Life policy didn't offer.¹



Sample Illustration

Midland National Life Insurance Company

One Sammons Plaza, Sioux Falls, SD 57193

XL-DB4

Male 55 Non-Tobacco -- Andy

Issue State: Iowa

Initial Specified Amount: \$222,180

This illustration reflects the following:

Premium Allocations: S&P500® ann pt to pt 100%

Death Benefit Qualification: Cash Value Accumulation Test

1035 exchange of \$77,000.00, assumed to be received in poly month 1

Riders, as listed on the page

Potential cash value growth at age 66

1035 amount from Whole Life Policy

Guaranteed Death Benefit to age 120

INTEREST AND COST SCENARIOS

Guaranteed
Maximum Charges
2.5% Guaranteed Interest for all premiums

Non-Guaranteed Assumed
Current Charges
Index Credits: 7.09% **

End of Yr	Age	DB Opt	Annualized Premium Outlay *	Type	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	56	1	77,000.00	E	71,425	63,871	222,180	75,173	67,619	222,180
2	57	1	0.00		71,145	63,742	222,180	78,897	71,493	222,180
3	58	1	0.00		70,746	63,494	222,180	82,725	75,474	222,180
4	59	1	0.00		70,243	63,294	222,180	86,777	79,827	222,180
5	60	1	0.00		69,615	62,968	222,180	91,085	84,438	222,180
6	61	1	0.00		68,839	62,493	222,180	95,625	89,279	222,180
7	62	1	0.00		67,888	61,845	222,180	100,431	94,388	222,180
8	63	1	0.00		66,720	61,130	222,180	105,515	99,925	222,180
9	64	1	0.00		65,284	60,148	222,180	110,930	105,794	222,180
10	65	1	0.00		63,570	58,886	222,180	116,665	111,981	223,298
11	66	1	77,000.00	E	61,541	57,462	222,180	124,382	120,303	231,725
12	67	1	0.00		59,180	55,856	222,180	132,673	129,350	240,803
13	68	1	0.00		56,467	53,898	222,180	141,532	138,963	250,371

41	96	1	0.00		0	0	222,180	772,222	772,222	850,217
42	97	1	0.00		0	0	222,180	816,613	816,613	889,292
43	98	1	0.00		0	0	222,180	864,106	864,106	930,642
44	99	1	0.00		0	0	222,180	913,383	913,383	979,148
45	100	1	0.00		0	0	222,180	964,586	964,586	1,030,179

65	120	1	0.00		0	0	222,180	4,364,544	4,364,544	4,451,835

Amounts shown in the Outlay column are annualized, but are illustrated based on the following frequency:

E= Extra Premium

*E= Extra Premium

**Illustrated Index Credits: 7.09% all years

**Non-Guaranteed Alternate Rate: 3.75% all years

The information presented is hypothetical and not intended to project investment results. Illustrations are not complete unless all pages are included.

Life Solutions: January 18, 2017

Considerations

There are also some important considerations that should be covered with your clients. In the scenario above, these considerations include:

- Cost of insurance charges (COIs) or other charges
- Loss of premium: Depending on funding, life insurance may not guarantee avoiding loss of premium
- Surrender charges: Withdrawals may be subject to surrender charges and the amount available for policy loans².

Conclusion

This is just one example of how a policy review can help breathe new life into your client's life insurance coverage by better meeting your clients' changing needs. Midland National's IUL product line can be a great option to give your clients' the upgrade they need as their priorities change.

Additional Materials

If you're looking for help starting your policy reviews, check out the various tools Midland National has available!

- **Pick Three (13312-1)** Worksheet to identify three clients that may benefit from a policy review
- **Client Life Events Checklist (13312-2)** Helps determine life events or areas of concern with the client
- **Policy Review Client Flyer (13312-5)** Helps explain the importance of a policy review to the client
- **Policy Review Overcoming Objections (171MM-2)** Examples of common questions that may occur during a policy review

Questions?

Contact Sales Support today to learn more.
Call 1-800-843-3316 ext. 32150.

1. Subject to eligibility requirements. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated. There is an administrative fee at time of election of the benefit.

2. In some situations loans and withdrawals may be subject to federal taxes. Midland National does not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

Agents offering, marketing, or selling accelerated death benefits in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California (20501) that includes this comparison.

XL-DB4 (policy form series L143) is underwritten and issued by Midland National Life Insurance Company, Administrative Office, One Sammons Plaza, Sioux Falls, SD, 57193. Products, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.

Indexed Universal Life products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.