

RFS News

Real Fast Service
July 2008

CRITICAL ILLNESS PLANS

I am often surprised and amazed at how few insurance agents sell **Critical Illness Insurance**, especially when you consider the chances of surviving a Critical Illness is greater than ever and the financial hardships it brings can be unbearable.

The Statistics for **Critical Illness Insurance** are overwhelmingly in the favor of the insured. For example, did you know that nearly 90 to 95 percent of all Americans that die of natural causes will have at least 1 of the 12 major illnesses, or at least 1 of the 6 major conditions covered by **Guarantee Trust Life's Critical Provider** which pays a lump sum benefit directly to the client upon first diagnosis? Out of those 90 to 95 percent, nearly 65 percent of them will live at least another 5 years and go on to make a full recovery. At least another 15 to 20 percent of them will not die immediately. However, they will be left with staggering bills to pay, and without either a large savings or **Critical Illness Insurance** they will end up in a lot of debt.

Listed below are some different scenarios to consider for different Insurance agents (Please note in every case ROP was used to further help the client, i.e. "Now if I give you all of your money back, what did that cost you?"):

Health Insurance Agent

I can sell a 40 year old male, non-smoker a good plan with a \$500 deductible and 80/20 co-insurance for \$253.00 a month, or I can sell the same gentleman a plan with a \$5,000 deductible and 80/20 co-insurance for \$135.00 a month for a difference in savings of \$118.00 a month. If I go with the higher deductible I can then sell the same gentleman a \$20,000.00 20 year **Critical Illness** plan with ROP (Return of Premium) for \$49.64 a month, so that in the end I am saving him \$68.63 a month. In addition to the savings I have also gotten him a much better plan when you consider that almost all of the conditions that he might have to cause him to pay his deductible and co-insurance are covered under the **Critical Illness** policy. That way not only have I reduced his premiums, but I have also given him extra money to pay bills and other expenses that are caused due to illness and not working.

Oh and the really big plus for the agent is the commissions! See if I have a 20% Health contract on 9-months advance and a 95% **Critical Illness** contract on 9-months advance, I make a lot more in commissions to save my client money. For example that \$253.00 a month policy would pay me \$455.40 in advanced commissions for the health plan, but \$135.00 a month policy would pay me \$243.00 in advanced commissions for the Health plan in addition to the \$424.43 for the Critical Illness plan, for a combined total of \$667.43. Wow, now that's an extra \$212.00 in commissions paid to the writing agent!

Life Insurance Agent (Mortgage Protection)

Most people buy "Mortgage Protection", or term life insurance, because they do not want their family to lose their home if they die. Now consider that less than 2% of people who lose their homes, lose it due to a death, while 48% of all foreclosures are the direct result of a **Critical Illness!** So, are you really helping them protect their mortgages with a simple term plan?

Now let's look a 40 year old male, non-smoker, with a \$150,000.00 mortgage. I can sell him a \$150,000 30 year term with ROP for \$78.52 a month that will protect his family if he dies (covering a 2% risk), or I can sell him a \$130,000 30 year term with ROP for \$69.49 a month with a \$20,000 **Critical Illness** plan with ROP for \$35.54 a month, for a total of \$105.03 that will cover 50% of the risk of him losing his home. Now wouldn't you consider \$28.51 a month worth it to protect against half the risk of your home being foreclosed on versus a 2% risk?

As far as commissions go a \$78.52 a month premium with 110% commissions with a 9-month advance would pay you \$777.35. While \$69.49 a month at 110% on 9-months advance combined with \$35.54 a month at 95% commissions with a 9-month advance would pay you a total of \$991.82. Wow, now that's an extra \$214.16 in advance commissions!

Cancer Plan Insurance Agent

It's only too simple to see why it's better for a client to protect against Cancer, Heart Attack, Stroke, Coronary Bypass Surgery, Kidney Failure, Major Organ Transplant, Coma, Paralysis, Blindness, Terminal Illnesses, Benign Brain Tumors, Alzheimer's Disease, HIV Infection (from blood transfusion), Parkinson's Disease, Aorta Graft Surgery, Heart Valve Replacement or Repair, Coronary Angioplasty, and even Nursing Home Confinement. So why sell a plan to cover just cancer, when for a few dollars more you can cover so much more.

In the past the problem with **Critical Illness** plans have been with underwriting, issue, commissions, and cost. That's why I'm so thankful for **Guarantee Trust Life's** all new **Critical Provider!** Compared to most **Critical Illness** plans it has simplified issue underwriting (only 11 questions), 85% of their policies are issued in 3 business days, it pays 95% commissions on 9-months advance, it's competitively priced, and it has a full array of riders including Return of Premium and a death benefit!

Just think you'll be able to go back to all of your health clients and lower their premiums, you'll be able to go back through all of your existing life clients and sell them more insurance, and increase the benefits of all of your existing cancer plan clients, not to mention what you can do for all of your future prospective clients. Now ask yourself what are you waiting for? If you are already contracted with **Guarantee Trust Life** then it's time to get started, and if not it's time to phone **R.F.S.** and let us rush you a contract and details today!

If you have any questions, comments, or concerns, please call us Monday thru Thursday from 9:00 to 4:30 (EST), and Friday from 9:00 to 3:00 at (770)968-5757, or toll free at 1(877)968-5757. Please note that the office will be closed from 12:00 to 1:00 for lunch.

R.F.S. means **Real Fast Service**