



THE BOTTOM LINE

July 2015

Premier Brokerage Service's monthly industry newsletter

PREMIER NEWS

EXCLUSIVE UNDERWRITING EVENT SAVE THE DATE

OCTOBER 6, 2015

Cases Must be Received by September 15, 2015 for consideration. Limited Space Available.

NEW WEBSITE COMING SOON!

www.premierbrokerage.com

New Features, Tools, Resources, and much more. Stay posted for upcoming launch date and exciting events to follow.

CARRIER NEWS

American General Life

LOWER Rates on AG Select-a-Term®

American General Life, a leader in the term marketplace, is pleased to announce significant, competitive improvements on its flagship product – AG Select-a-Term, issued by American General Life Insurance Company (AGL)¹. We are now in a market-leading position for 15, 20, 25, 30 year non-tobacco classes. Over 90% of our premium rates rank in the top three within the industry and nearly 65% rank number one. Plus, look for more exciting news. AGL will soon announce substantial underwriting changes to give you and your customers more competitive offers – in less time.

Product Highlights

AG Select-a-Term offers a unique mix of flexibility and reach:

Guaranteed level term coverage for 17 durations, including 10-year and 15 through 30 years. That's life insurance with Optionality®. Issue ages and durations make coverage available until age 95 for older clients. AG Select-a-Term remains convertible to the earlier of age 70 or the end of the level term period.

AG Quick Ticket Special Considerations

Completed applications (with the paramedical exam) received by American General Life on July 20, 2015 or later will automatically receive the new product.

State Approvals

As of June 08, 2015, the new rates for AG Select-a-Term are approved in all states.

Transition Rules

- New AG Select-a-Term rates will be available June 8, 2015.

- Applications received prior to June 8, 2015 will automatically receive old premium rates.

- Applications received June 8, 2015 but prior to July 20, 2015 will automatically receive new rates unless old premium rates are specifically requested.

- Applications received July 20, 2015 or later will automatically receive the new rates.

- Reissue requests to the new rates will not be honored.

- New applications submitted to replace existing inforce coverage with the new rates will not be honored within 90 days of the existing coverage going inforce.

Products may not be available in all states and product features including rates may vary by state.

1. Rates vary between AG Select-a-Term, issued by American General Life Insurance Company (AGL) and AG Select-a-Term issued by The United States Life Insurance Company in the City of New York (US Life).

2. Ranking percentages are based on 15, 20, 25, 30 year term duration, male and female quinquennial ages 20-75, \$250K, \$500K and \$1.5M face amounts in non-tobacco underwriting classes, against 14 leading competitors. 960 cells sampled on 5/31/2015.



SBLI

SBLI's Term Rate Changes

Effective June 1, 2015, SBLI is offering new rates on our guaranteed level premium term life insurance products and level term riders. Our rates are particularly strong for face amounts of \$500,000 and higher, and among ages 45-60 (think fortysomethings and pre-retirees) in all underwriting classes.

Transition Rules

The new rates are available for quoting on June 1, 2015 and the transition rules are as follows:

New Business Submission and Pending New Business

Effective June 1, 2015, SBLI will issue pending applications with new rates, if lower than the originally quoted rates.

Applications submitted to the Home Office between the period of June 1, 2015 and June 30, 2015 should indicate "new rates" on the application if it was sold based on new rates.

New applications quoted prior to June 1, 2015 and received in the Home Office by June 30, 2015 will be issued with the more favorable rates.

Recently Issued Business

Policies that have been recently issued and are within 120 days of the exam date may be considered for reissue with the new rates, provided the request is received in SBLI's Home Office by June 30, 2015.

Illustrations

The new rates are now available for quoting on SBLIAgent.com as well as with our third party vendors iPipeline, Compulife, and VitalTerm.

Please note that the maximum illustration face amount is \$30,000,000¹ for ages 18-69 on all term durations (10, 15, 20, 25 and 30 years). For 10 year term, the maximum amount for ages 70-74 has been increased to \$10,000,000.

¹Maximum: \$20,000,000 in IN, LA, MD, MN, WI, WV, TX.

Product Guidelines

- SBLI Term and Term Rider Product Availability by State
- SBLI Term plans with the new rates are available in all states except New York and Montana.
- The rates apply to base plans and term riders.

Bands

SBLI's premium bands remain as follows:

- Band 1: \$100,000-\$249,999
- Band 2: \$250,000-\$499,999
- Band 3: \$500,000-\$999,999
- Band 4: \$1,000,000 +

Policy Fee

SBLI's policy fee of \$60 remains unchanged.

Riders

The following riders are available:

- Accelerated Death Benefit Rider (no premium charge) - Automatically included at no additional cost providing early access to a portion of the death benefit if the insured is diagnosed with a terminal illness.
- Children's Level Term Rider- Optional rider providing up to \$25,000 of coverage for all eligible children at a low cost of \$6 per thousand of coverage.
- Waiver of Premium - Providing continuation of coverage without having to pay premiums in the event of total disability.

Conversion Options

- Conversion to either a level premium whole life policy (any face amount) or a universal life policy (Conversion)
- UL with a minimum face amount of \$100,000) at any point prior to the earlier of attained age 70 and the end of the level premium term period.

Commissions

Commission rates remain unchanged.

SBLI's Term Rate Changes

- Product Update June 1, 2015
- Products and features may not be available in all states.

AIG

AIG Overhauls UNDERWRITING - More Competitive Offers!

AIG is making substantial changes to give you and your customers a better underwriting experience and more competitive offers - in less time. We've heard your feedback and are taking the following actions....

Tax Transcripts – gone!

Yes, you read it right. The IRS 4506T Tax Transcript is no longer required unless a case exceeds \$5,000,000.

Inspection Reports – gone!

Until a case exceeds \$10,000,000 – then we will order one, but all others are gone, effective immediately. (Cases already in progress unfortunately do not qualify.)

Lab Scoring now used to IMPROVE offers

Yes, lab scoring details are still proprietary – but they are now used to give customers credits or better-class offers where possible.

EXPANDED Standard

Now many permanent plans up to Table C will be standard!

ENHANCED Underwriting Processes

Internal improvements are being made to TRULY make it easier for you to do business with AIG. Our goal: Better offers in less time!

Check out our updated Field Underwriting Guide.

AIG is on a mission to earn your business, plain and simple. We know you have a choice of carriers, and WE want to be your 'go to' partner for the most competitive underwriting offers. Give us a try and experience the difference!

See below for more details and explanation on the above BIG NEWS ITEMS - effective June 8, 2015.

1. Tax Transcripts: Because we have other ways to get the information needed, we are raising the point at which we require an IRS Tax Transcript (IRS form 4506T) – now only needed for amounts greater than \$5,000,000. Applicable to term and permanent plans equally. The 4506T is still required for amounts over \$5,000,000; however, even for the higher face amounts there are often alternatives to the tax transcript requirement. Contact your underwriter or case manager in these situations.

- 2. Inspection Reports:** We are eliminating traditional telephone inspections (IR's) up to and including age 70, for amounts up to \$10,000,000. Applicable to term and permanent plans equally. We are replacing the inspections with an electronic records report that will be transparent to your customers. No more inspector calls asking awkward income and financial information of your clients and, more importantly, no more requests to contact neighbors, friends, or work acquaintances. We will obtain the information we need through other tools and database checks. Please note that Foreign Nationals residing outside the United States will still require Inspection Reports at the previous levels – which is OVER \$1.5Million face amount on Permanent Products.
- 3. Lab Scoring:** We are now using AIG's proprietary Lab Scoring methodology to IMPROVE offers for clients whose scores are favorable. With improved offers from positive lab scoring, AIG is now able to be substantially more competitive on standard or better cases. The improvement ranges will vary by age and class, and the best part: we retain our current, competitive preferred class criteria, preferred offsets, healthy credits, and better choice preferred programs!
- 4. Expanded Standard:** We are liberalizing the definition of expanded standard on most permanent plans to now include risks up to Table "C" (applies to our 'AG' series of products only at this time – does not include the 'QoL' series). Our current expanded standard only includes cases up to Table "B". This 'beefed-up' expanded standard class allows you to compete much more effectively with other company's table shaving programs. The other components of the Expanded Standard program remain exactly as they are today.
- 5. Streamlined UW Processes:** Finally, we are making several internal process changes to make AIG's underwriting faster and more efficient. We are empowering our underwriters at all levels to make decisions on their own. Several redundant reviews and co-signature requirements have been eliminated, including some medical and manager reviews. Caveat: This doesn't mean underwriters will disregard underwriting requirements, impairments, or waive routine requirements. Nor does it mean they will be able to approve every case Preferred Plus. It does mean they will make the most competitive offer they can – on their own. It also means they will be free to explore alternatives with you – for example: to accept recently-expired requirements.

CARRIER NEWS | *Lincoln Financial, North American, Metlife, John Hancock, Banner & William Penn***LINCOLN FINANCIAL****JULY 1st - LINCOLN EXTERNAL TERM TO PERM EXCHANGE PROGRAM**

Lincoln is pleased to announce a new External Term exchange program beginning July 1, 2015. From July 1st through year end, Lincoln will accept special external term exchanges from a wide variety of carriers to any of our single life Lincoln UL, VUL or IUL products.

If all of the program guidelines are met, the newly issued contract will retain the same underwriting class as the original issued term policy with no labs, exams or APS required.

What you need to know:

This is a significantly enhanced version of the External Term to TIUL program.

Key highlights include:

- All Lincoln single-life UL, VUL and IUL products are eligible for the exchange program.
- Now Standard rating classes are eligible in addition to preferred and preferred plus.

In addition to all carriers with an AM Best Rating of A+ or above qualifying, we have published a list of additional carriers in which we will accept exchanges from.

NORTH AMERICAN**North American Requires \$500 Minimum for Paper Check**

Effective July 1, 2015, North American paper check minimum will be increasing from \$150 to \$500. The EFT minimum will remain at \$50.

Going forward if you would like to receive direct deposit, please take action now by completing the Authorization for Direct Deposit form (download here).

Please take action now by completing the Authorization for Direct Deposit form (download here). Email completed form to Colleen Weiss at cweiss@premierbrokerage.com.

Remember, the benefits of paperless are BIG:

- Convenience – Payments will be at your financial institution within two business days of your statement date
- Reliability – No delays, receive payment for any amount owed; minimum thresholds don't apply for direct deposit
- Safety – No lost or stolen checks
- Security – Electronic transfer of funds is secure

- Sustainability – Saves paper and trees; it's just one small step you can take to help protect the environment

NORTH AMERICAN**NACOLAH Improves Term Rates****Competitive Features ADDvantage Term:**

- Fully Convertible clients can convert during the level premium period of the policy or through age 74 (69 for ADDvantage 30) whichever is earlier but never less than 5 years.
- Convertible to all available individual permanent life insurance products.
- Critical and Chronic Illness Accelerated Death Benefit is available on the newly converted policy if the conversion occurs in the first 5 years!
- \$100,000 low minimum face amount.
- Term periods to fit your clients needs – 10-15-20 and 30 year level periods.
- Accelerated Death Benefit Endorsement for Terminal Illness.

Availability

Applications for the new ADDvantage Term (version 8) can be taken immediately. The new products are available in all states.

Illustration Software – A NACIS software update is now available.

We will allow ADDvantage Term 7 pending policies that have not been issued to change the product to ADDvantage Term 8 with a signed and dated amendment from the applicant.

If the current version of the product, ADDvantage Term 7, is desired, the application must clearly indicate ADDvantage Term 7 and must be signed before July 31, 2015 and received by August 5, 2015.

All applications signed after August 5, 2015 will automatically receive the ADDvantage Term 8.

CARRIER NEWS | *MetLife, John Hancock, Banner & William Penn***METLIFE****MetLife Increases Retention for Elite Partners**

Increased Retention For Select Financial Professionals and Firms.

Effective immediately, MetLife U.S. Retail Life Insurance will increase its available internal retention from \$20 million to \$25 million. This additional \$5 million retention is only available to select Financial Professionals and firms.

Products available for retention amounts between \$20 million and \$25 million:

- MetLife Promise Whole LifeSM
- MetLife Promise Whole Life 120SM
- MetLife Promise Whole Life Select 10SM
- MetLife Promise Whole Life Select 20SM
- MetLife Promise Whole Life Select 65SM
- MetLife Secure Flex Universal LifeSM
- MetLife Premier Accumulator Universal LifeSM
- Legacy Advantage Survivorship Universal LifeSM
- Equity Advantage Variable Universal LifeSM

For retention amounts above \$20 million, please follow these guidelines:

1. Available Ages: 18–70 up to a Table D maximum rating (no increases for other ages or ratings).
2. Available retention will be based on total availability within all areas of MetLife currently selling U.S. Retail life insurance. Inforce individual life insurance coverage within other business lines, such as Consumer Direct or Specialized Benefit Resources (COLI/BOLI), will reduce the available capacity.
3. Product Limitations: For retention amounts between \$20 million and \$25 million, the coverage must be only on cash value products. For example, an individual can have a \$20 million term policy fully retained AND a \$5 million whole life policy fully retained, but not a fully retained \$25 million term policy. Non-cash value products will be limited to a total of \$20 million of retained risk.
4. Use of The Enricher Rider for retention amounts above \$20 million is not available.
5. Riders that may increase the face amount of the policy (such as Flex Term Rider, Accidental Death Benefit Rider, Guaranteed Insurability Rider) will be subtracted from total available retention.
6. The face amount of lapsed policies within the con-

tractual reinstatement period will be excluded from total available retention.

7. An “as-approved,” signed illustration will be required from the Financial Professional and will be reviewed in Underwriting before a policy issue.
8. For retention amounts up to and including \$20 million, we will continue to follow our current guidelines.

MetLife’s non-cash value products include:

- MetLife One Year TermSM
- Guaranteed Level Term
- MetLife Provider Universal LifeSM

Base policy and riders may not be available in all states.

Descriptions of policy features are only partial and state variations may apply. For a complete description, see the prospectus for Equity Advantage VUL and/or sample policy forms for all other products mentioned.

Equity Advantage Variable Universal Life is offered by prospectus only, which is available from a registered representative.

MetLife, its agents, and representatives may not give legal, tax or accounting advice and this document should not be construed as such. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

JOHN HANCOCK**Introducing John Hancock Protection IUL’15 and Accumulation IUL’15**

Protection IUL ‘15 (available in all states except CA, DE and ND)

What’s new:

- Vitality Rider available in 25 states - AK, AL, AZ, AR, CO, DC, FL, GA, HI, IA, KS, KY, ME, MI, MS, NE, NV, OH, RI, SC, SD, UT, VT, WI, WY
- Reduced premiums for all males and females, age 25-75. Most significant reductions (7% on average) for short-pays and single-pays.
- Even greater savings with Vitality - Gold Status can save you up to 14% at younger ages!
- New Cap rates: Capped Indexed Account 10.5% (9.5% in NY), High Par Indexed Account 9% (8% in NY), Uncapped Indexed Account threshold rate 6.5% (7% in NY).

CARRIER NEWS | John Hancock, Banner & William Penn**JOHN HANCOCK (CONT.)**

- Guaranteed Indexed Multiplier in years 6+ has increased from 10% to 15%!
- LifeTrack Billing is available (both with or without Vitality); must be selected on the illustration.
- Higher targets -- 16% higher on average!
- Accumulation IUL '15 (available in all states except CA, CT, DE, MT, and NY)

What's new:

- Vitality Rider available in 25 states - AK, AL, AZ, AR, CO, DC, FL, GA, HI, IA, KS, KY, ME, MI, MS, NE, NV, OH, RI, SC, SD, UT, VT, WI, WY
- Minor changes to base premium solves (2% increase on average)
- Improved targets on Death Benefit Option 1 -- 10% higher on average!
- Same indexed account cap rates as AIUL '14: Capped Indexed Account remains at 11.5%, High Par Indexed Account at 10%, Uncapped Account threshold rate remains at 6%.
- Same 5% Guaranteed Indexed Multiplier in years 6+
- LifeTrack Billing is available (both with or without Vitality); must be selected on the illustration.

BANNER & WILLIAM PENN**COI Increase for Select Universal Life Plans**

Cost of insurance increase will apply to select inforce universal life plans.

Effective August 1, 2015 Banner and William Penn will implement a cost of insurance (COI) increase for select universal life plans. For any plan affected, the increased cost of insurance will be reflected in the first monthly deduction following the effective date of the increase.

The table below lists the plans for each company, the policy form numbers, the dates the policies were available for sale, and the effective date of the COI change. It also identifies the plans which included no-lapse guarantees.

The plans for which rate changes take effect in August and September are:

Company	Product Name	Issued From Date	Issued To Date	Policy Form*	No Lapse Guarantee	Date of COI Increase
Banner	Continuity UL 100	04.15.2002	12.31.2008	UL10	10 years, 15 years or lifetime	08.01.2015
Banner	Continuity UL	07.01.1996	12.31.1999	UL-96-1	15 years or lifetime	08.01.2015
Banner	Life Umbrella UL 120	01.01.2008	06.14.2010	ICC08 UL08	10 years or lifetime	08.01.2015
William Penn	Longevity UL 100 & Penn UL	04.01.2001	12.31.2008	UL98	10 years or lifetime	08.01.2015
William Penn	Life Umbrella UL 120	03.11.2009	06.15.2010	UL08	10 years or lifetime	08.01.2015
Banner	Advantra & OPTerm 20UL	11.01.1995	12.31.2008	UL-95-1	20 years	09.15.2015
William Penn	Advantra	01.06.2004	12.31.2008	UL03	20 years	09.15.2015

*Including state and other variations

RELATIONSHIPS FIRST

CARRIER NEWS | *Banner & William Penn***BANNER & WILLIAM PENN (con't)****The Timing**

Policy owners will be notified by letter beginning on July 15, 2015. These first letters will be sent to those policy owners whose policies are scheduled for the COI increase on August 1, 2015. The second mailing is scheduled for September 1, 2015 for plans with September 15, 2015 COI increase effective dates.

Select In Force from the navigation bar.

On the menu at left, select Search for Documents.

On the new menu at left, select Doc Search by Date.

Enter your Start Date and End Date for the date(s) the letters were mailed.

Select COI Increase Letter as the document type and click submit.

This search feature is available to all in your hierarchy if your Preference for Broker Access is set to Yes.

Questions About The Rate Change

Rate changes will vary based upon plan, age, sex, and underwriting class subject to the policy's guaranteed maximum cost of insurance rates. For some customers rate increases will be significant.

For policies with a no-lapse guarantee (NLG), the COI increase will not change the NLG premium and the coverage will remain guaranteed provided the NLG premiums are paid on time.

We anticipate that you and your customers will have questions. Please take a look at this [FAQ](#) which provides some of those answers.

The Reasons Behind This Action

We don't take this lightly. A confluence of factors has severely eroded the profitability of this block of policies:

- Investment returns have been at all time lows for an extended period of time making it impossible to earn the investment income assumed in pricing.
- Credited Interest rates have been much lower than those reasonably assumed in pricing, at times decades ago, resulting in lower cash values and less interest margin.
- Average mortality on these blocks has been unfavorable, almost always attributable to the conversion segments. Lower cash values and higher amounts at risk only serve to amplify any negative mortality effect.

The terms of the contracts allow us to increase COI rates whenever some combination of investment, mortality, persistency and expense experience significantly erodes profitability. We can't recover past losses, but can only reprice to attempt to restore profitability in the future. The appropriate Departments of Insurance have been notified of the planned changes.

Plans Being Evaluated For Future COI Increases

The following plans are likely to have cost of insurance increases later this year. We'll let you know on a timely basis once our decision is made.

- Crusader 1 and 2
- Life Umbrella Series products - Band 1, Classic, Sterling, Gold, Ulitmate
- Capitol UL

ADVANCED SALES

Premium Financing: Where is the arbitrage?

Author, Dean J De Marco

In the estate planning and business risk management markets, much attention has been given to life insurance premium financing. Many commenters have highlighted the strategy’s perceived risks and pitfalls. Others have focused on premium financing as a stand-alone transaction. I believe these discussions ignore the most important attribute of leveraged life insurance: cash flows and opportunity costs, I typically refer to as “retained capital.”

Much of the misunderstanding can be attributed to gimmicky marketing that portrays premium financing as a “cheaper” way to buy life insurance; often attempting to compete with term. This naturally leads to improper evaluation of the strategy whereby the economics can breakdown when applying adverse variables, such as rising cost of funds and policy performance.

Simply stated, when the affluent finance a life insurance policy, the capital they would have allocated to the premium will instead be retained in their own capital base. This capital will continue to be deployed into the current asset portfolio hopefully to continue to generate the client’s desired economic objectives. The retained capital will also not be subject to the same level of gift, income and capital gains tax exposure.

The single greatest misconception is that the client must have a positive arbitrage opportunity

Let’s review the mechanics of a life insurance policy. The true cost of a policy is not the premiums paid, but the amount the insurance company deducts periodically to satisfy policy costs. Insurance premiums for permanent policies typically represent significant over-payments in the early years to accumulate cash values and lower the net amount at risk and offset the much higher costs that will be deducted years later as the insured approaches life expectancy. The initial over-funded premiums, while important for long-term policy sustainability, can be inefficient for the client considering the opportunity costs. Financing the insurance premium and investing the capital the client would have otherwise paid out of pocket, uses the same capital more efficiently.

As the current marketplace searches for yield, the IUL policy design is a popular choice to accumulate cash values for future liquidity and flexibility. Financing indexed policies is an attractive method to prefund premiums to compound growth within the policy. However the single greatest misconception is that the client must have a positive arbitrage opportunity (loan rate vs policy crediting rate) for the financed transaction to provide a benefit over traditional funding. I agree arbitrage is desired as with any debt obligation; however, with life insurance, it’s the retained capital arbitrage.

To illustrate, consider a 56 year old male considering a \$10,000,000 trust owned death benefit. The benchmark; an indexed non-financed full pay annual premium would be \$152,000. The accumulated premiums to life expectancy would be \$4,408,000 providing a \$10,000,000 death benefit and an internal rate of return of 5.03% at life expectancy. The retained capital in the first year is \$128,000 which represents the delta of the premium and the cost of funds on the premium finance loan. The \$128,000 does not assume any gift, income or capital gains tax, which would increase the retained capital. The affluent premium finance client balance sheet is highly diversified and usually completely invested into many various asset classes. We also have found the retained capital is used to fund other asset transfer strategies as well. In those cases, the opportunity costs resulting from the asset transfer benefit must be considered.

Structure	Cash Out Flow	Death Benefit IRR @ LE	CSV @ LE	Retained Capital @ LE
Non-Finance	4,408,000	5.03%	4,761,000	0
Financing **	2,487,000	7.01%	5,846,000	2,855,000

** assuming a rising forward interest rate curve

Effective leveraged life insurance structuring is not only utilized for the estate planning market. It’s widely applied in the business succession marketplace, funding buy/sell, key person and multi-life buyout exposures. SERP strategies have deployed leveraged life policies to secure funding exposures. It also can be an effective method to fund existing inforce policies as well as a strategy to satisfy split dollar debt. The affluent have also used the strategy to fund family foundation owned policies. ■

RELATIONSHIPS FIRST

INDUSTRY SPOTLIGHT

New guidelines on Indexed UL Illustrations

On June 18, 2015 the National Association of Insurance Commissioners (NAIC) approved guidelines to use when illustrating and marketing index universal life (IUL) products. In a statement from the American Council of Life Insurers (ACLI), the new guidelines offer:

- Uniform rules for the development of IUL illustrations
- A maximum rate that could be illustrated based on a standardized formula that could vary depending on product design a limited policy loan leverage shown in an illustration
- Additional required consumer information that will aid in consumer understanding
- The new guidelines are currently scheduled to begin for IUL policies sold on or after September 1, 2015. The guidelines pertaining to policy loans will go into effect for new business and inforce illustrations for those policies sold on or after March 1, 2016. ■



ANNUITY RATES

Premier Brokerage Services, Inc. has recently partnered with Annuity Rate Watch. We are now able to provide up-to-the-minute interest rates for MYGA, FIXED INDEX, FIXED, and SPIA Products. ■

[Click here to view MYGA Rate in our ANNUITY CORNER!](#)

COMPETITIVE ANALYSIS: Stress Testing

Premier Brokerage is ahead of the industry in providing the most informational and useful tools for you to provide quality intelligence to your clients.

LifeTrends is one of the top consulting firms in the insurance industry, specializing in **Consultative Product Due Diligence, Competitive Intelligence, & Customized Benchmarking.**

What this means to you is the chance to “wow” your clients with information that they are not getting from their other advisors, keeping you one step ahead of your competition.

One thing that differentiates top producers from the competition is the ability to show their clients not only “numbers on an illustration”, but also

how the product holds up in the face of real life circumstances. Premier has commissioned LifeTrends to perform a number of Stress Tests which analyze how specific carriers and products perform under specified conditions.

LifeTrends has already completed its first three stress tests: 1) Catch Up Premium Analysis, 2) Missed Premium Analysis, and 3) Paid Up Death Benefit Analysis.

We can provide you with multiple reports at multiple ages and rates. If you would like a copy, please contact your sales representative at 800.543.5555.

Age	55/55
Gender	Male/Female
Risk Class	Standard/Standard

Survivorship Universal Life - No Lapse Guarantee

Catch Up Premium Analysis - Guarantee to Age 90, \$1MM Death Benefit

Pay the age 90 premium, Catch up the premium to age 100, Then catch up the premium for life

CompanyName	ProductName	Age 121 Premium	IRR For Age 121 Prem			Age 90 Premium	Catchup 91-100	Catchup 101-121	IRR For Catchup Prem			Crossover IRR Age, 121 vs Catchup	Age 100 Premium
			@90	@95	@100				@90	@95	@100		
American General*	Secure Survivor GUL II	\$8,997	5.73%	4.47%	3.55%	\$8,030	\$14,000	\$46,000	6.24%	4.79%	3.69%	101	\$8,222
John Hancock	SUL-G 13	\$14,278	3.57%	2.56%	1.82%	\$11,612	\$48,349	\$9,026	4.55%	2.50%	0.71%	95	\$14,251
Lincoln Financial	LifeGuarantee SUL 2013	\$8,884	5.78%	4.53%	3.60%	\$8,456	\$8,439	\$212,865	6.01%	4.72%	3.78%	101	\$8,456
Minnesota Life	Legacy Protector SUL	\$10,185	5.16%	3.97%	3.10%	\$5,879	n/a	n/a	7.61%				\$10,185
Minnesota Life	Eclipse Survivor Pro Indexed UL	\$10,595	4.98%	3.81%	2.96%	\$6,230	n/a	n/a	7.36%				\$10,595
Mutual of Omaha	Guaranteed Universal Life Survivor	\$9,320	5.57%	4.33%	3.43%	\$9,320	\$9,320	\$9,320	5.57%	4.33%	3.43%	57	\$9,320
Nationwide	YourLife NLG SUL II	\$8,647	5.90%	4.63%	3.70%	\$6,492	\$112,382	\$263,306	7.18%	2.34%	-3.75%	93	\$8,315
Penn Mutual*	Survivorship Plus IUL	\$8,574	5.94%	4.67%	3.73%	\$7,103	\$29,123	\$80,124	6.78%	4.87%	3.30%	97	\$7,838
Principal	SUL Protector II (2013)	\$8,885	5.78%	4.53%	3.60%	\$6,889	\$66,000	\$69,000	6.92%	3.92%	0.86%	94	\$8,411
Prudential	PruLife SUL Protector 2011	\$9,376	5.54%	4.31%	3.41%	\$7,545	\$74,000	\$46,029	6.51%	3.32%	-0.04%	93	\$9,017
Symetra	SUL-G	\$8,455	6.01%	4.72%	3.78%	\$8,325	\$8,955	\$9,538	6.08%	4.77%	3.81%	106	\$8,374

*American General and Penn Mutual have a minimum guarantee age of 95.

An n/a denotes that there is no premium amount allowed that will satisfy the solve.

A blank IRR is either unsolvable, or less than -12.5%



UNDERWRITING CORNER

Sleep Apnea

Lori-Anne Walker

Have you had a spouse or roommate whose snoring drove you crazy?

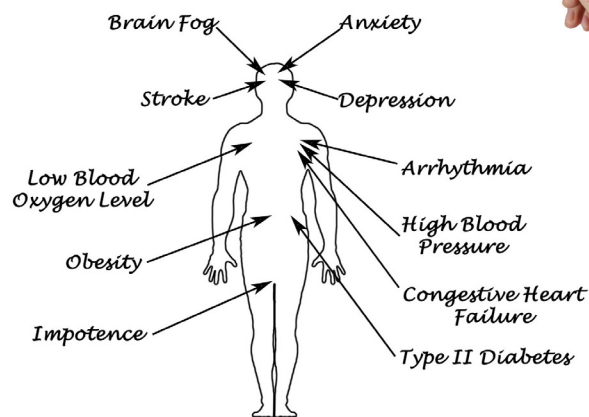
If so you have probably witnessed sleep apnea first hand. Sleep apnea is the stoppage of breathing during sleep. Those breathing lapses may last 15 seconds or longer. When we stop breathing for this length of time a number of things can happen, most of them are not positive. Blood oxygen levels fall which can lead to cardiac arrhythmias that can be fatal in some cases. These long pauses in breathing can cause frequent awakenings and poor sleep which causes someone to be tired, groggy and less than mentally alert the next day. One study estimates that those with sleep apnea have up to 7 times the number of motor vehicle accidents than the majority of drivers.

There are 2 types of sleep apnea:

- central
- obstructive

The central type (central as in central nervous system i.e. the brain) results from a lack of nerve stimulus that initiates breathing.

Side Effects From Sleep Apnea



The reason this does not occur is poorly understood. Obstructive sleep apnea is due to excess tissue in the nose, mouth and throat. The tissue can mechanically block the passage of air into the lungs. Both can be complicated by being overweight, smoking and excessive alcohol usage.

A sleep study or polysomnography is needed to make a diagnosis of sleep apnea. The test requires the person to sleep in a sleep lab and they are monitored for the number of apneas (breathing stoppages) that occur per hour. The test needs to last at least 6 hours to be effective. When we stop breathing, blood oxygen levels fall and waste products accumulate in the blood. This can lead to abnormally slow and irregular heartbeats.

AI (apnea index) represents the number of stoppages per hour. 5 or 6 or less per hour is considered normal whereas more than that can lead to multiple issues. In the central type of apnea a pacemaker can be inserted to stimulate breathing. Additionally, some drugs do the same. Obstructive apnea can often be treated with surgery where excess tissue is removed. Common treatment of both types is continuous positive airway pressure or CPAP as it is most commonly called. This apparatus is worn over the face while sleeping and forces oxygen into the lungs.

Unfortunately it is cumbersome, awkward, and uncomfortable. Continuous compliance is an issue with sleep apnea and that is very important. To properly evaluate sleep apnea we will need the pre and post treatment sleep studies. In addition copies of EKGs, Chest x-rays, and blood studies can be helpful in getting additional credits for the case. Well-treated sleep apnea that is mild with full compliance can qualify for PFD rates at some carriers. ■