Timing is Everthing
for Birthdays, Benefits, and Bank Drafts

When you submit a new policy application for consideration, a major concern for both you and your policyholder is knowing the premium will be paid on time. Many of your policyholders receive monthly Social Security checks. For some, their monthly checks may be of little consequence when paying their premiums. For others, however, the timing of that check is critical to having adequate funds available. Since the Social Security Administration pays benefits according to your customers' birthdays, making note of their special days may help you determine the best time for them to pay their premiums.

Once you know your customer's birthday, encourage him or her to schedule Monthly Bank Drafts (MBD) whenever possible. History and statistics prove it to be the best method for keeping policies in force, which results in fewer lapses and greater persistency and retention. With MBD your customers aren't concerned about writing checks because they don't even have to think about them. Best of all, they don't run the risk of forgetting to write checks, which could leave them vulnerable and unprotected in the event they are ill, in an accident, or hospitalized

In addition, recommend your policyholders utilize Direct Deposit for their monthly checks, so the funds will be in their accounts on the day their Social Security benefits are paid. Direct Deposit avoids the possibility of lost or stolen checks, gives you and your customers a firm date as to when funds are available, and provides them with peace of mind.

Experience has shown that the best time to draft your Senior's account is one week after the Social Security check is deposited. Make sure your customer knows when the account will be drafted each month to avoid overdraft charges and embarrassment.

Knowing your policyholder's birthday is only half the equation, however. You also need to be familiar with how the MBD system works within United American.

> When you place your customer on MBD, take note of your policyholder's birthday. That date will determine not only when their monthly Social Security benefits are paid, but also the best time to draft their accounts.*

Birth Date On:	Social Security Benefits Paid On:
1st - 10th	Second Wednesday
11th - 20th	Third Wednesday
21st - 31st	Fourth Wednesday

1. **Generally, policies submitted on monthly bank draft are effective the date the policy is issued.** For example, a policy is issued on MBD effective 4-01-04; the first premium payment is due 5-01-04; therefore, the draft date would be 5-01-04 and the first of each month thereafter.

2. **If you wish to request a draft date different from the policy's effective date, note it in the top margin of the application. IMPORTANT: A draft date requested 17 days or less from the policy's effective date will be drafted after the first due date. A draft date requested 18 or more days after the policy's effective date will be drafted before the first due date.** For example, a policy issued on MBD is effective 5-01-04 and the first premium payment is due 6-01-04 and the first of each month thereafter. If this policy had a requested draft date of the 19th of the month, which is more than 17 days from the effective date of 5-01-4, the policy would be drafted on 5-19-04, which is **before** the premium due date of 6-01-04. Consider this same policy with a requested draft date of the 18th instead. Because the 18th is 17 days from the 5-01-04 policy effective date, we would not draft the premium payment until 6-18-04, **after** the due date of 6-01-04.

3. **Drafts are combined, and one draft is submitted for the same line of business with the same draft date for the same bank account.** If a draft is returned, however, we automatically redraft. However, we do so on an individual policy basis, not a combined basis.

Encourage your Seniors to use Direct Deposit for their Social Security checks and to use MBD for premium payments. View MBD as an additional feature you can offer them. It makes great sense for you, your customer and United American. And don't forget to send them a birthday card each year!

* Official Social Security website...*www.socialsecurity.gov*