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# The New Look of Life Insurance

Ever since Sept. 11, it's been a new America. Our industries operate with a heightened sense of caution, and we have new laws governing everything from privacy to arms. All of this, however, is simply a reflection of the biggest change of all...a change in the attitude of the American people. We have been awakened to the possibility that we are vulnerable, and many people are asking, "How do I protect my family in these uncertain times?"

One certain answer is, of course, life insurance. Thousands of people have been re-prioritizing, and consequently re-assessing their life insurance needs. Evidence of this is a report released in the beginning of this month by the MIB Group, Inc. The MIB Group administers a database containing information from 550 major American and Canadian life and health insurance companies. What the numbers in the report indicated is that insurance companies have seen a nine percent increase in life insurance policy applications when comparing October 2001 to October 2000, and a 26 percent rise in the number of life applications from September to October 2001. What better timing for you to add life sales to your weekly sales than when customer demand is at an all-time high?

The attitude of the American people has certainly changed, and we at United American need to respond by emphasizing our life insurance products to potential customers. Life insurance is available in two basic forms, term and whole life. United American has each of these types, the RT85 which is term and the UA 400 Series which is whole life. There is a basic difference between term and whole life insurance. A term policy is pure life insurance which on the death of the insured pays the face amount of the policy to the beneficiary. Whole life insurance, on the other hand, builds cash value over time which may be borrowed against.

What I would like to suggest to you, the Agent, is that most Seniors' insurance needs will be best suited by term life insurance. Our market is middle America. We rarely deal with the wealthy who might consider whole life as a vehicle to pass on assets after death. The vast majority of our customers buy life insurance for one purpose — to take care of any final expenses. Period. As any of you who may have experienced this know, losing a loved one is one of the most difficult experiences in life. No one wants to add to the burden of their family during this trying time by being financially unprepared.

According to Willard Hemsworth, senior vice president of marketing for Quotesmith.com, the increase of interest in term life insurance since Sept.11 has been dramatic. "Through the entire month of August, we averaged about 78 inquiries per day (for term life insurance). In the first eight days of October alone, we've averaged 103 term life inquiries per day." And I might remind you that Quotesmith has no Agents!

As an Agent, customers rely on you to help them find the right protection. It is essential that clients understand the difference between whole life and term coverage, and what benefits each entails. For example, a 50-year-old man can spend \$35 a month in premium for UA's 400 Series whole life policy. He will receive \$8,696 in benefit and, after five years, \$452.19 in cash value — but he can't get both. The same man paying the same premium for UA's RT85 term insurance receives \$10,526 in benefit. As in the above example, the Agent needs to help clients determine which option is best suited for their needs. Would the client benefit more from a \$452 cash value or \$1,830 more in benefits? While there are occasions when purchasing whole life is appropriate, clients, especially Senior clients, will most likely opt for the term coverage when given the choice for a higher face amount.

This is an interesting time in the life insurance market. People are demanding protection and depending on Agents to help them find the right policy for their needs. Agents have a responsibility to their clients to provide them with the exceptional service they deserve. Let's all work together and make UA a leader in the life insurance market as well!

United American RT85 Commission Schedule						
Agent		Month 1	Month 2	Month 3	Month 4-12	Months 13+
Issue Age	MBD* 18-79	400%	300%	110%	10%	5%
	MBD 80-85	250%	135%	125%	10%	5%
Unit Manager		Month 1	Month 2	Month 3	Month 4-12	Months 13+
Issue Age	MBD 18-79	89%	5%	5%	5%	N/A
	MBD 80-85	96%	N/A	N/A	N/A	N/A

\* MBD= Monthly Bank Draft