Comprehensive Review

November 2011

HIGHLIGHTS

ACCU-APP™ Several months ago we launched a pilot program designed to enhance the application & underwriting process called ***Accu-App™***. Accu-App ™, an exclusive service of CPI Companies, enhances & streamlines the underwriting process by allowing CPI's New Business Specialists to speak directly with your clients to obtain information required to complete an application. We signature-tag then mail the completed forms to your office. You review & get signed.

After 6 months of testing we are pleased to announce that the program is an unmitigated success! Following is some feedback from the pilot participants:

"It gets the information needed directly to the staff processing the application in a timely fashion. It is also helpful to separate the underwriting process from the sales process."

"It is easier for you [CPI] to ask details of medical history because your staff has the medical background to accurately fill out the application, and the clients seem to be more forth-coming since the data gathering is over the phone".

"There's a lot less back-and-forth between the broker, client and GA".

"Our clients thought the process was convenient & efficient. Why didn't you [CPI] start this sooner"?

HEADLINER

Foreign Nationals…Non-Registered Aliens… NO PROBLEM! With the increased demand for coverage on foreign nationals & non-registered aliens (NRA's); CPI announced the addition of Pan-American Life last quarter. Never say "NO" to an international client again. Writing life insurance policies on citizens from 99% of the countries around the world, we've now got you covered. Pan-Am's Florida Offshore Program offers term & UL products to NRA's. The products are registered offshore, written in Florida, and not subject to U.S. taxes, thus offering high net worth clientele & business owners the ideal solution to preserve, grow & transfer wealth to the next generation without risk of tax liability.

FEATURED PRODUCT

Earn discounts on your life insurance premium! Aviva's "Wellness for Life" rider offers clients periodic premium discounts! For a one-time fee of $100, the Wellness rider rewards an insured for maintaining a healthy lifestyle. To qualify for the minimum reward, a client only needs to have a physical exam by their personal physician every two years. They can earn greater rewards by maintaining a good weight.

Here's an example: Male, age 60, standard non-smoker, $1,000,000 face amount & annual premium $18,865…

- NLG premium at age 60 = $18,865
- NLG premium at age 80 = $15,846
- NLG premium at age 85 = $13,017
- **NLG premium at age 90 = $9,371**

BREAKING NEWS…

Year End Time!! Get your apps in! As we move through the 4th quarter and near the end of another year, be sure to check with our office on any cases you are planning to submit in time for year-end production credits. Each of our carriers has certain criteria that must be met for a case to be processed by the end of the year since they get the bulk of their business in the last quarter.
Don't forget about Accu-App ™! We can help make your life easier during this very hectic time.

Final days for West Coast Life… Now Protective, WCL applications will no longer be accepted after Dec. 1, 2011. As of Jan. 1, 2012 WCL will be retired, so if you plan on submitting new business, please be sure complete new contracting paperwork for **Protective Life**. Call Kelly Lokken to get re-appointed.

Di's Bosom Buddies… Everyone at CPI and their families participated in the annual ***Breast Cancer Walk*** at Cooper River Park & raised more than $4,000.

Go Team!!

PRODUCT UPDATES

Hartford has introduced their new **Founders Plus UL**. Effective immediately, this current assumption UL will be replacing Bicentennial UL Founders II. The new FP UL will give your clients the choice between two crediting rate options. They can place the funds in the fixed account, or into a PLUS account, which is based on the S&P 500. This is a great product, with flexible premiums & cash accumulation!

John Hancock's new **Premier Life** product is a great alternative to Whole Life. The policy offers strong guaranteed cash value & death benefit. Premiums are very flexible unlike traditional WL, and also offers a LTC rider and Return of Premium Rider!

Going Down… Term rates are being

reduced by **John Hancock & Lincoln Benefit Life!** Effective immediately, **JH's** term portfolio premiums will significantly be reduced across ages & classes. They do have a $750,000 minimum face.

LBL has FINALLY re-priced the True Term portfolio. Expect a 20% reduction in most situations.

ATTENTION:

Due to the low interest rate environment some carriers do not want to accept large rollovers or 1035 Exchanges. Lincoln Benefit restricts roll-ins to 6 times target on their GUL product only. Lincoln National restricts roll-ins to 3.5 times target on their old GUL & SGUL. Although the new products have no restriction, they don't pay excess commissions!!

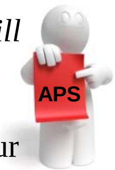
UNDERWRITING MATTERS!

Improved Offers for Cancer History! Quite a few of our carriers have recently announced that they are improving their offers for clients with a history of low-grade cancers, such as, thyroid, testicular, prostate, breast and/or uterine cancers. Preferred is even a possibility after an appropriate number of years. However, some will consider coverage at standard rates immediately following successful treatment. Remember, low-grade only.

Met Life Now Insures Our Troops!! Met Life is proud to offer life insurance protection to those who proudly serve our country. As a member of the U.S. Military, your clients may be eligible for coverage without restrictions even if they are serving overseas, including the Middle East. The application & all underwriting requirements must be completed in the U.S. Those *not* eligible for consideration are private contractors, Army Special Forces & Rangers, Delta Force, Navy SEAL, Special Warfare Development Group, Marine Force Reconnaissance & Air Force Special Forces.

Exam Guidelines Getting Better… Many carriers have changed their guidelines to accept medical underwriting requirements for up to one year. Yes, labs too! There are still a few hold-outs, so please check with us for specifics.

John Hancock is now accepting Paramed exams in lieu of MD exams for ages 16+ and all face amounts! **Lincoln National** has also done away with MD exams for all cases up to $50,000,000 of face amount. We are hoping to see this as a new trend among our carriers.



ING announced that they *will not* require APSs for most clients that do not have any medical history. Even if your client has a recent physical exam, and/or any routine testing like a colonoscopy, they will not need to see the records providing all is fine. APSs should be ordered only for cause. Most carriers are trying this approach to reduce APS costs and to save some time.

RX Database… is the latest tool used by carriers to aide the underwriting process. Almost all of our carriers are utilizing this national database to check the prescription history of clients. The database gives the name of medication, a list of conditions for what the medication may be prescribed, and who prescribed it. CPI has obtained access to this system as well, which may be helpful for some of our preliminary cases to help cut back on excess APS fees.

The CPI Preliminary Application has been updated to reflect some law changes and to include accessibility to the RX database. Please check out our website to download the most recent version.

ING, MetLife, John Hancock, Prudential and Transamerica have relaxed their stance in the foreign national market. In many cases a foreign national can obtain coverage as long as they have strong ties to the U.S., such as owning a business, or property in the U.S., or if they are employed in the U.S.. They will need to have an established bank account in the states & all aspects of the policy sale must be done on U.S. soil. If you would like to discuss a specific case, please call or email one of our underwriters.

AML & LICENSING

AML Training Just Got Easier! ***TransAmerica*** has implemented a new Anti-Money Laundering (AML) training program for agents applying for an appointment to minimize the time spent completing the training. Once the training material has been reviewed, all that is needed is the completed acknowledgement form.

For those of you already appointed with Trans, if a certificate is not submitted showing training has been completed through another provider, the new training material will be sent when new business is submitted.

Cleaning House… ***TransAmerica*** is in the process of terminating agent contracts/appointments if new business has not been submitted within the last two years. If new business is submitted & your code was terminated due to lack of production within the last six months, that code can be reinstated without new paperwork.

CPI's Holiday Schedule

Closing at 1:00 PM:

Dec 2nd for Office Holiday Party
Dec 23rd for Christmas Eve
Dec 30th for New Years Eve

Closed:

Nov 24th for Thanksgiving
Nov 25th for Hangover Recovery
Dec 26th for Christmas
Jan 2nd for New Year's Day

CURT'S CORNER

Recently, we've worked on a few cases involving clients who have found themselves in the enviable position of sitting on large sums of cash (although one did have back problems and was in more of a lounging position). Wary of the erratic market, they explored their lower volatility options, and were less than enthused:

- **CDs**
  1- year rates were 1.10%
  3- year rates were 1.50%
  5- year rates were 1.90%
- **Bonds**
  3- year were 0.40%
  5-year were 0.90%
  10-year were a little under 2.00%
- **Annuities**
  3- year were below 1.00%
  5- year were 1.50%
  10-year were 3.35%

In addition to the anemic returns, they weren't keen on having to lock their money up for long periods of time, fearing that an interest rate rebound would put them in the position of having to choose between: a) taking a hit to get out, or b) sticking with the lower rates and hoping that the rates stayed high until they could get out.

While money market accounts were paying around 1%, the liquidity offered was looking pretty good.

Now, in past Corners I've discussed life insurance as an alternative investment, as its tax-free death benefit can produce substantial returns at life expectancy. Well, guess what? With a few clicks of the mouse, we can also turn it into a pretty attractive short-term alternative. Enter ***Minnesota Life's Whole Life*** product, funded as a single premium…

EXAMPLE:

Male age 60, Preferred Non-smoker with $500,000 of cash, previously sitting around collecting dust, now put to work as a single premium $1.1 million policy. At the end of the first policy year, there is a 2.4% hit to the cash value; however, beyond that:

Yr	CSV	IRR (Cash)	IRR (Death)
3	538,466	2.87%	37.60%
5	590,598	3.67%	20.64%
10	739,605	4.16%	10.32%

At any point, the client can surrender the policy without penalty. Of course, if he decides that he doesn't need the cash, he can simply hold onto the policy, continuing to earn around 4.25%.

If he ultimately decides that he really, really doesn't need the cash, and refuses to give it to me, he can boost the overall return by transferring it into a more death benefit efficient contract (in this case, buying around $2.5 mil of guaranteed UL after 5 years), further enhancing the value of the asset to their heirs.

NOTE: For corporate owned cases (excluding Credit Unions…for some reason insurers hate credit unions), enhanced cash-value riders are available that can eliminate the Year 1 hit, and put the policy in the positive from Day 1.

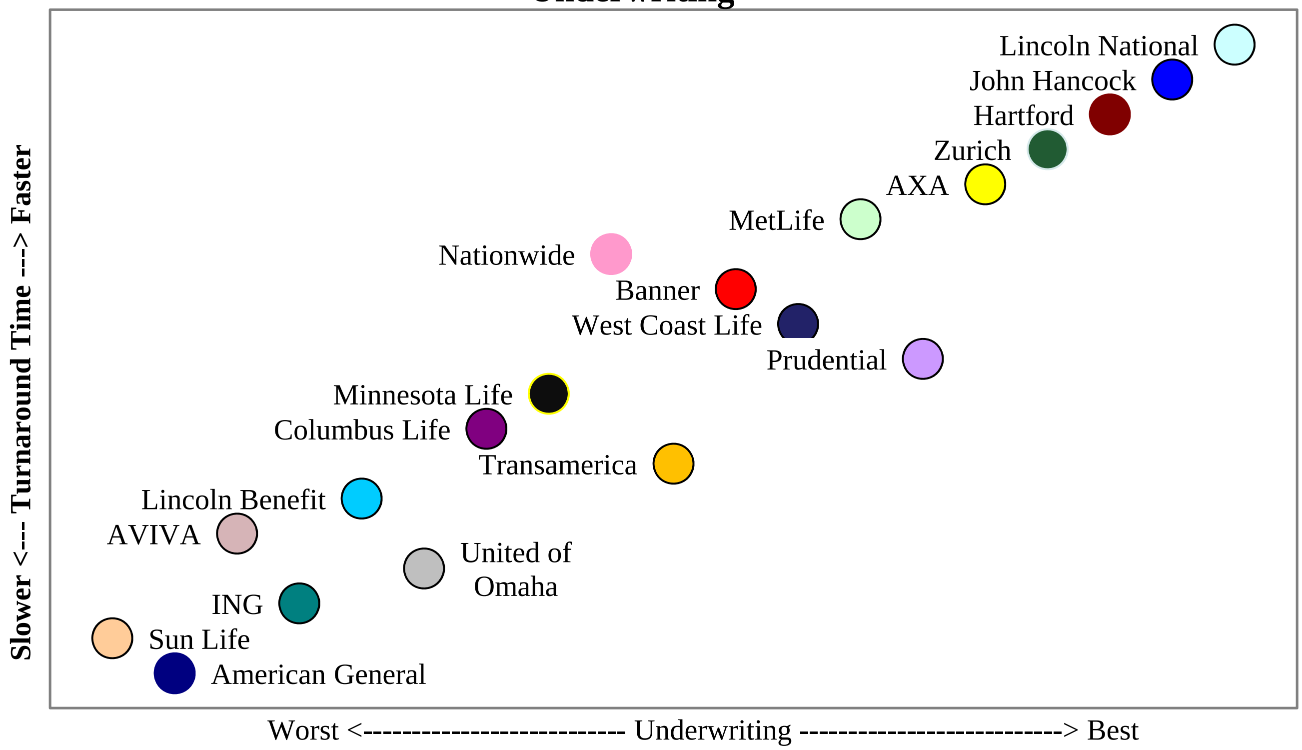
The Comprehensive Review offers our agents and brokers brief reminders, ideas and methods to help ensure that everyone receives the most efficient and professional services.

Contact us by phone at 800-732-8062. Comments, suggestions and contributions are always welcome! Visit our website www.cpicompanies.com.

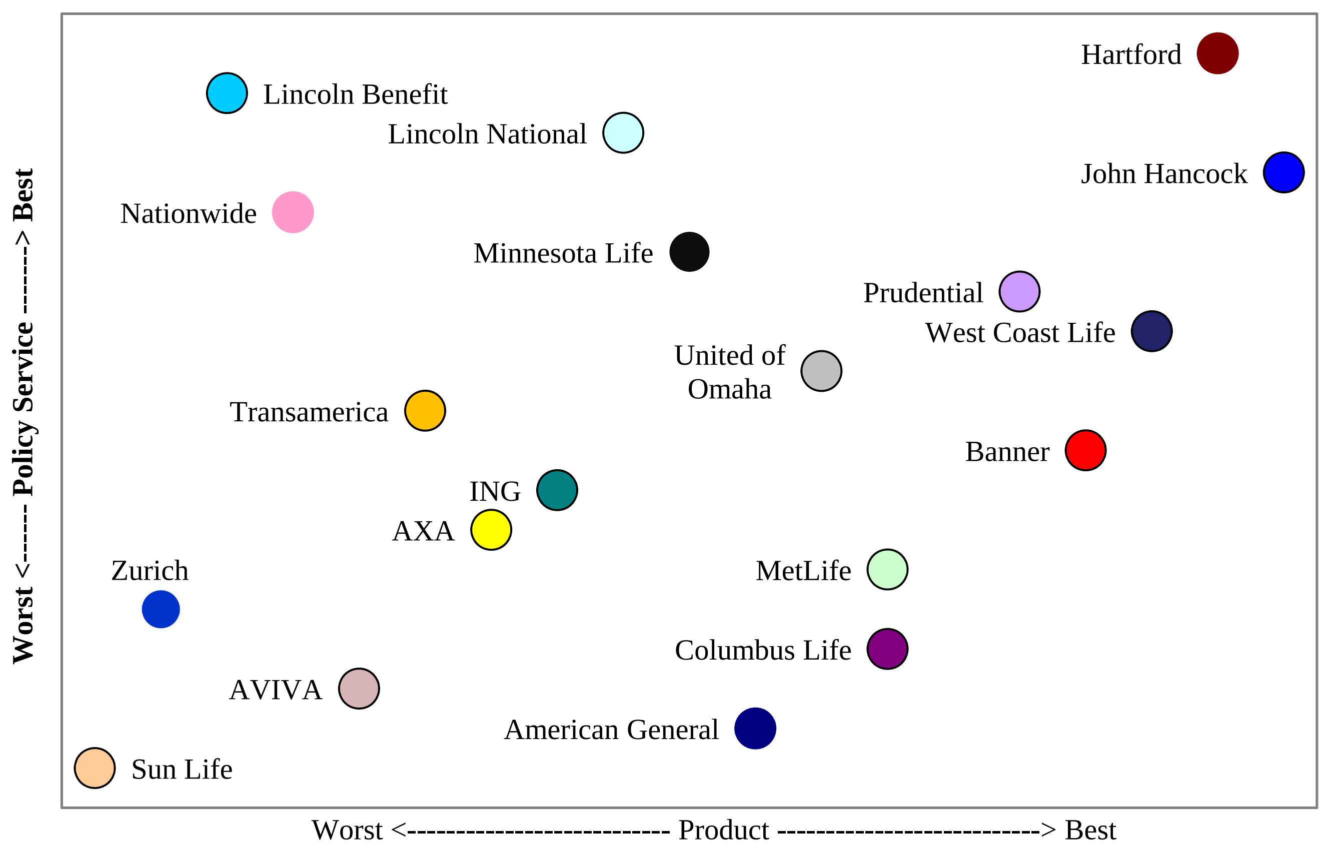
Survey Says…

The Reviews...

Underwriting



Products and Service



CPi COMPANIES
LIFE BROKERAGE • CAPITAL ADVISORS • INTERNATIONAL

Please note: This survey is based on CPI's premier carriers, and based on the opinions of our entire brokerage team.

Comprehensive Review is a CPI Companies Publication