

# Sales Idea:

Converting Temporary Term Coverage into Permanent Coverage

While you're doing policy reviews, remember that all Term Life Express policies issued on or after May 1, 2014, automatically include a conversion privilege. This privilege allows clients to convert their term policy to permanent coverage any time after the second policy year, without providing any evidence of insurability.

There are several advantages to converting to permanent coverage – some for your clients and some for you:

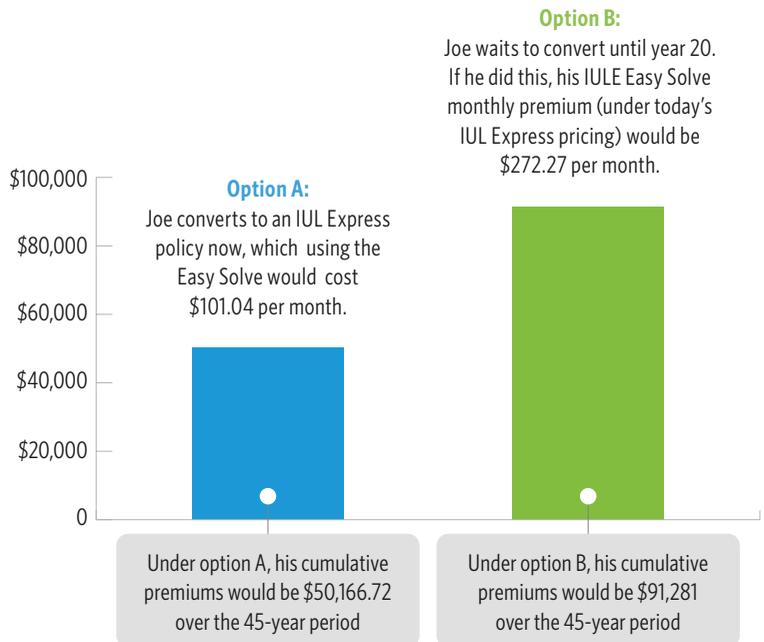
- **The biggest advantage for your clients:** It converts their temporary coverage into a permanent life insurance solution that can last for their entire lifetime.
- **The advantage for you:** We'll pay you 50% of the new business compensation if the TLE policy is converted in policy years 3 through 5, and 100% of new business compensation if converted in policy years 6 and beyond.

This conversion privilege lasts through the earlier of the 10, 15, 20 or 30-year level term period, or the policy anniversary following the insured's 70th birthday. And while your clients can convert any time during the convertibility period, it may make sense to do it sooner rather than later, as you can see from the following example.

## Case Study:

Six years ago, Joe purchased a \$200,000 20-year TLE policy for \$40 per month. He's now 36 and realizes his need for life insurance protection will continue well beyond the remaining 14 years of his 20-year term policy. You talk to him about IUL Express and he likes the idea of converting his policy, but he's wondering if he should convert his coverage now, or if he should wait until the end of his 20-year term policy.

Let's compare the cumulative premiums for his TLE policy and his IUL Express policy under the two scenarios, assuming Joe lives to age 75.



**The Easy Solve** premium is the premium that results in the surrender value equaling or exceeding the death benefit at age 120 (assuming the current illustrated rates for the 100% participation rate strategy)

## An additional benefit that comes with converting:

Some older TLE policies did not have the full Living Benefits Rider package. Your client's new IUL Express policy will get the current rider. This means that your client could access a portion of the death benefit early for a qualifying terminal, chronic or critical illness.

So, if you have clients who are considering making their temporary coverage permanent, consider suggesting a conversion to IUL Express. It can be a great solution for them and for you.



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