

# PLACEMENT & PERSISTENCY

## What You Need to Know

### What Does Placement Mean?

Placement is the number of cases that are placed, in-force policies, divided by the total number of cases you have submitted. If you submit 10 applications to an insurance carrier, but only 7 of the applications have premium collected on them and go in-force, your placement rate would be 70% (7 placed, in force policies, divided by 10 submitted applications).

### What Does Persistency Mean?

Persistency is how long a placed, in-force policy stays in force. For example, you write a case on a client and it is placed in force, but the policyholder only makes a couple of payments and the policy lapses soon after, this would hurt your persistency rate. If you write 50 cases in one year and 10 of those cases lapse, your persistency rate would be 80% (40 cases placed in force divided by 50 total cases).

When you are meeting with a client, use your field underwriting skills to assess the clients' ability for coverage and ensure they have the resources to pay the initial and future premiums for the life of the policy. In addition, cases that do not stay in force may incur chargebacks which cost you money and may increase your debt to the company.

## Tips to Improve your Placement and Persistency

- 1** Watch for strong signs of their ability and intention to pay the premiums for the life of the policy.
  - a. If it is not a strong sale, redesign and find something they can afford.
  - b. For life insurance, higher face amounts can lead to lower persistency due to higher premiums. If the premium on a higher face amount case seems like it could be a burden on the client (resulting in a lapse in the future), lower the face amount to reach a premium the client feels confident they will be able to make all premium payments in future years.
  - c. For all other products, focus on the appropriate amount of coverage and affordability. Make sure to recommend the right amount of coverage based on your client's situation and their ability to pay the premiums going forward.
- 2** Fully complete the application, answer all questions and obtain all required signatures.
  - a. The e-App is a great tool to help with this.
  - b. Collect an email address from your client should you need to contact them during the underwriting process.
- 3** If additional information is requested from underwriting after a case has been submitted or if something was missed on the application, obtain the information and get back to the carrier as soon as possible.
- 4** Monitor your lapse notification emails from Mutual of Omaha.
  - a. You will receive an email if your client has failed to make a premium payment. Immediately contact the client to see if this was an oversight or if there is something you can do to preserve the business. Sometimes missed payments are simply a change in a bank account number.
  - b. If your client expresses that they cannot afford the payment, offer a lower face or benefit amount (resulting in lower premiums) so you can preserve the business.
  - c. If the customer is not interested in paying the premium anymore, then remind them why they purchased it and what insurance does for their family, or you may need to redesign the case.
- 5** If you are responsible for delivering the issued policy to the insured, deliver it as soon as possible after you receive it.
- 6** If you are in a state that requires a signed policy delivery receipt (i.e. Virginia), ensure the client signs the form and return it to Mutual of Omaha's home office as soon as possible.

**Mutual of Omaha Sales Support 1-800-693-6083**

If you have questions, please contact your Sales Director or Account Executive.