

INSURANCE CONCEPTS

Module 2

Presented By:

Michael Cherniawski, NVP



INSURANCE CONCEPTS



01
**Term
Insurance**



02
**Final
Expense**



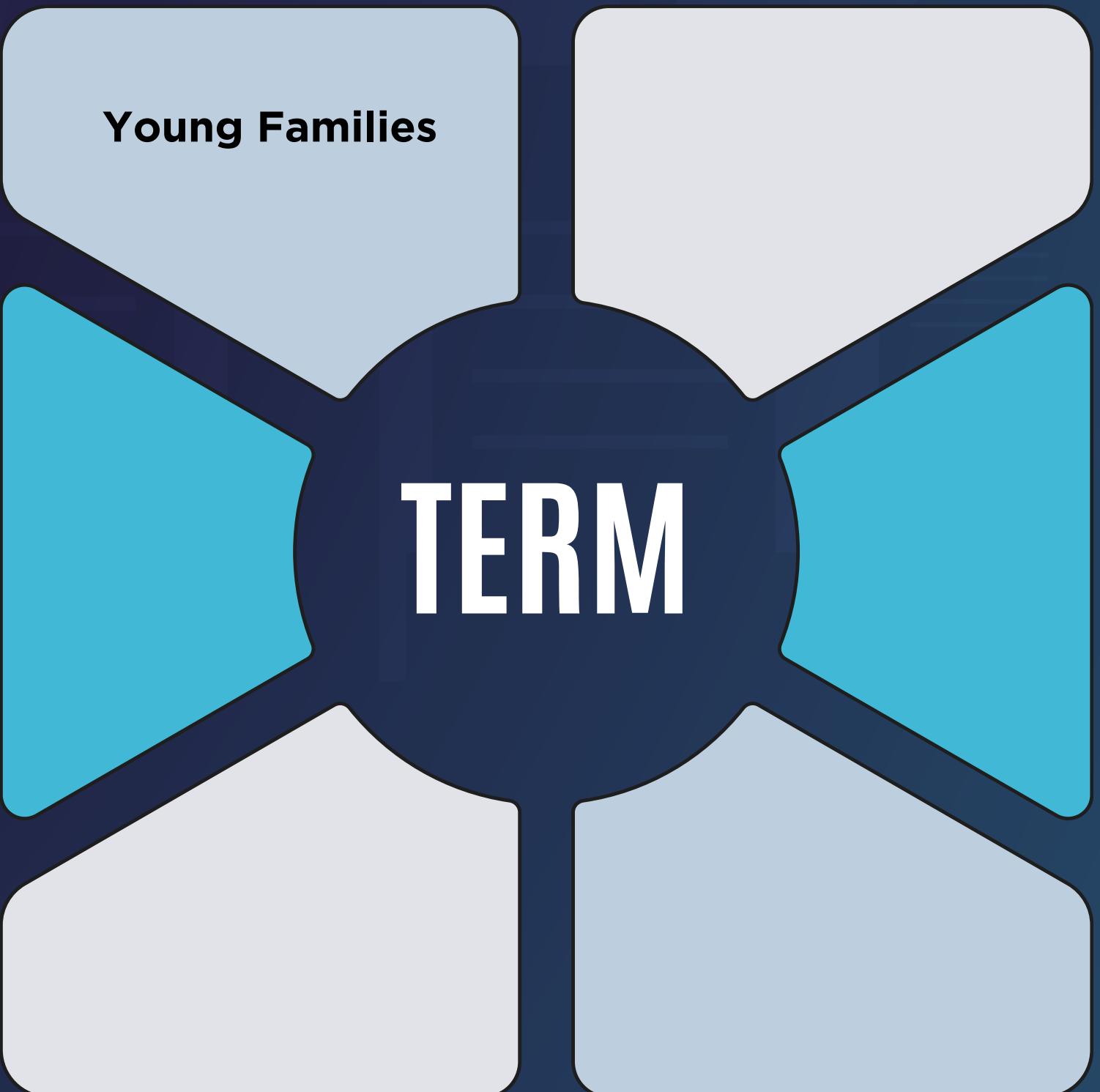
03
**Indexed
Universal
Life**



04
D.I.M.E

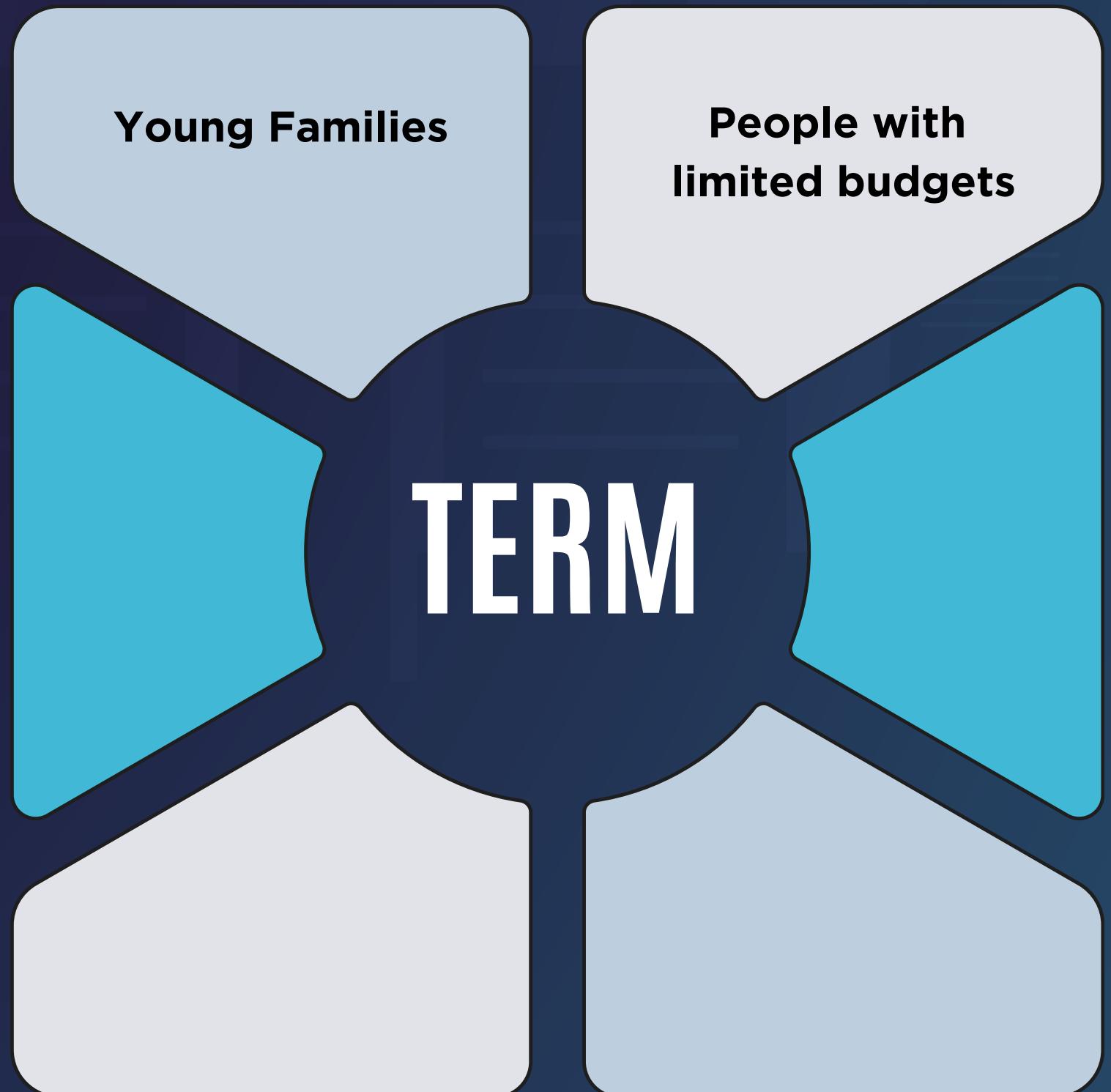
TERM INSURANCE

1. **Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.



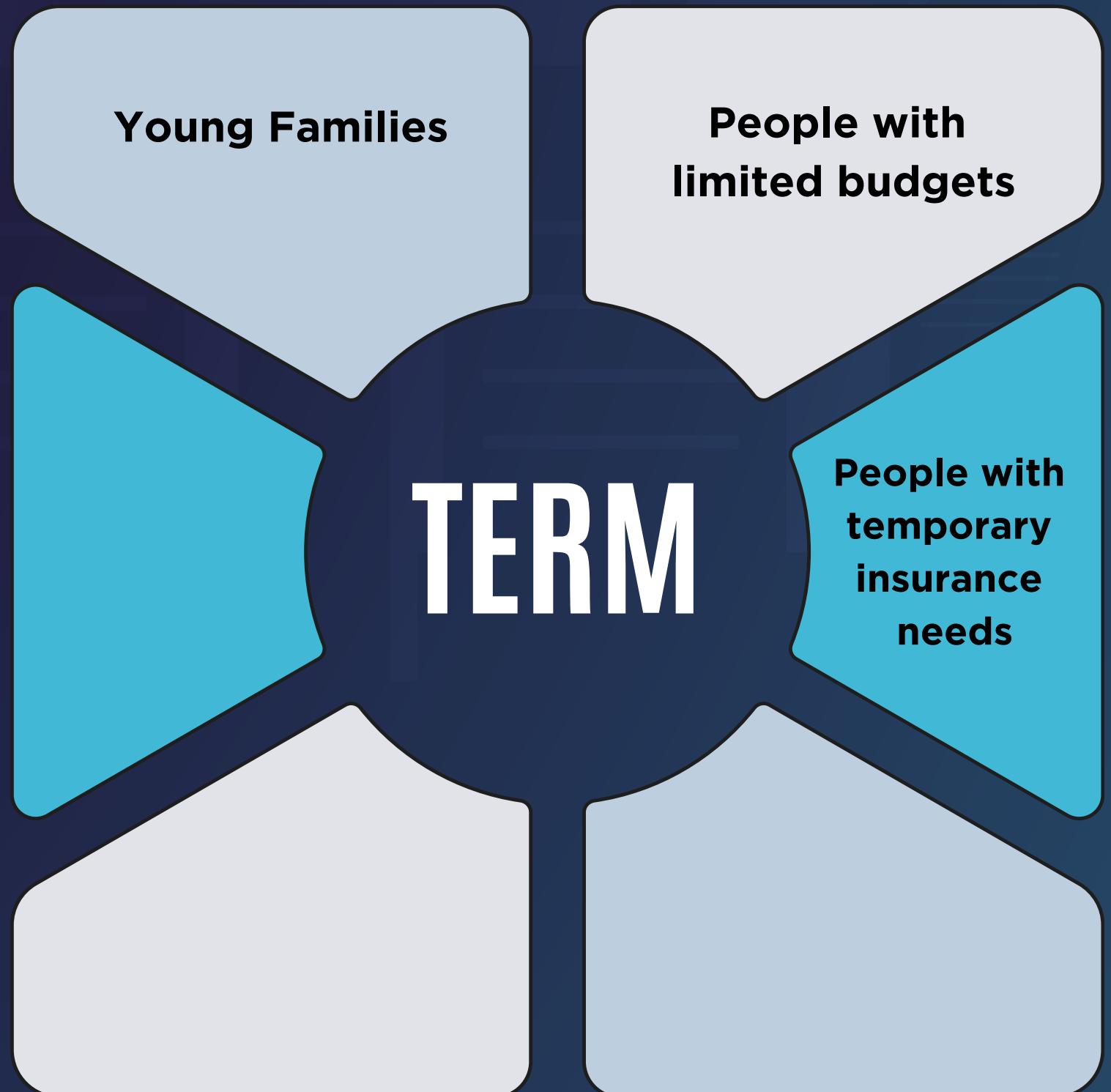
TERM INSURANCE

1. **Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.
2. **People with Limited Budgets:** Term insurance tends to be more affordable than whole or permanent life insurance because it provides coverage for a set term without an investment component.



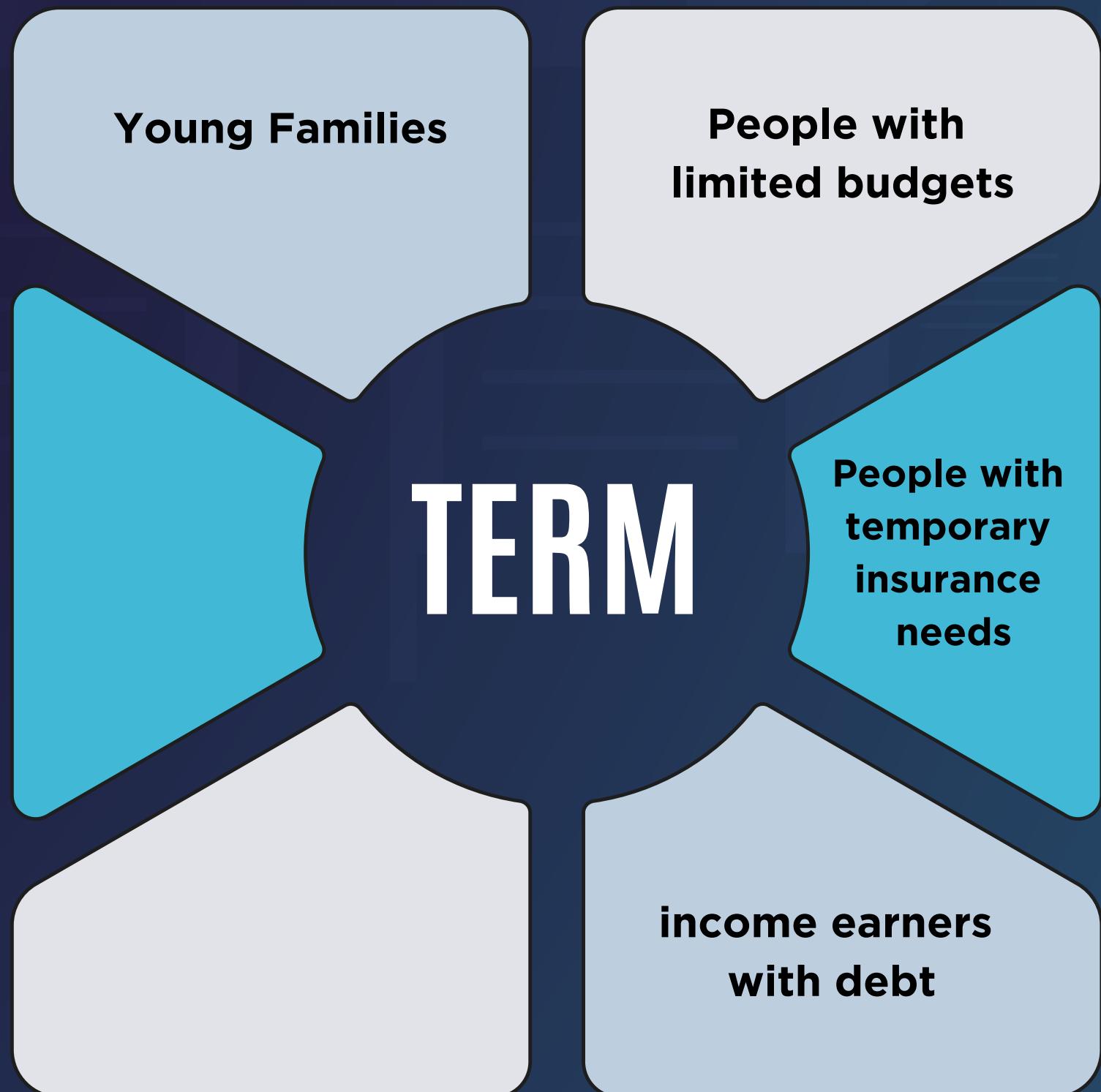
TERM INSURANCE

1. **Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.
2. **People with Limited Budgets:** Term insurance tends to be more affordable than whole or permanent life insurance because it provides coverage for a set term without an investment component.
3. **People with Temporary Insurance Needs:** Those who only need coverage for a certain period—such as until their children are financially independent, their mortgage is paid off, or they retire—can benefit from the specific duration of term insurance.



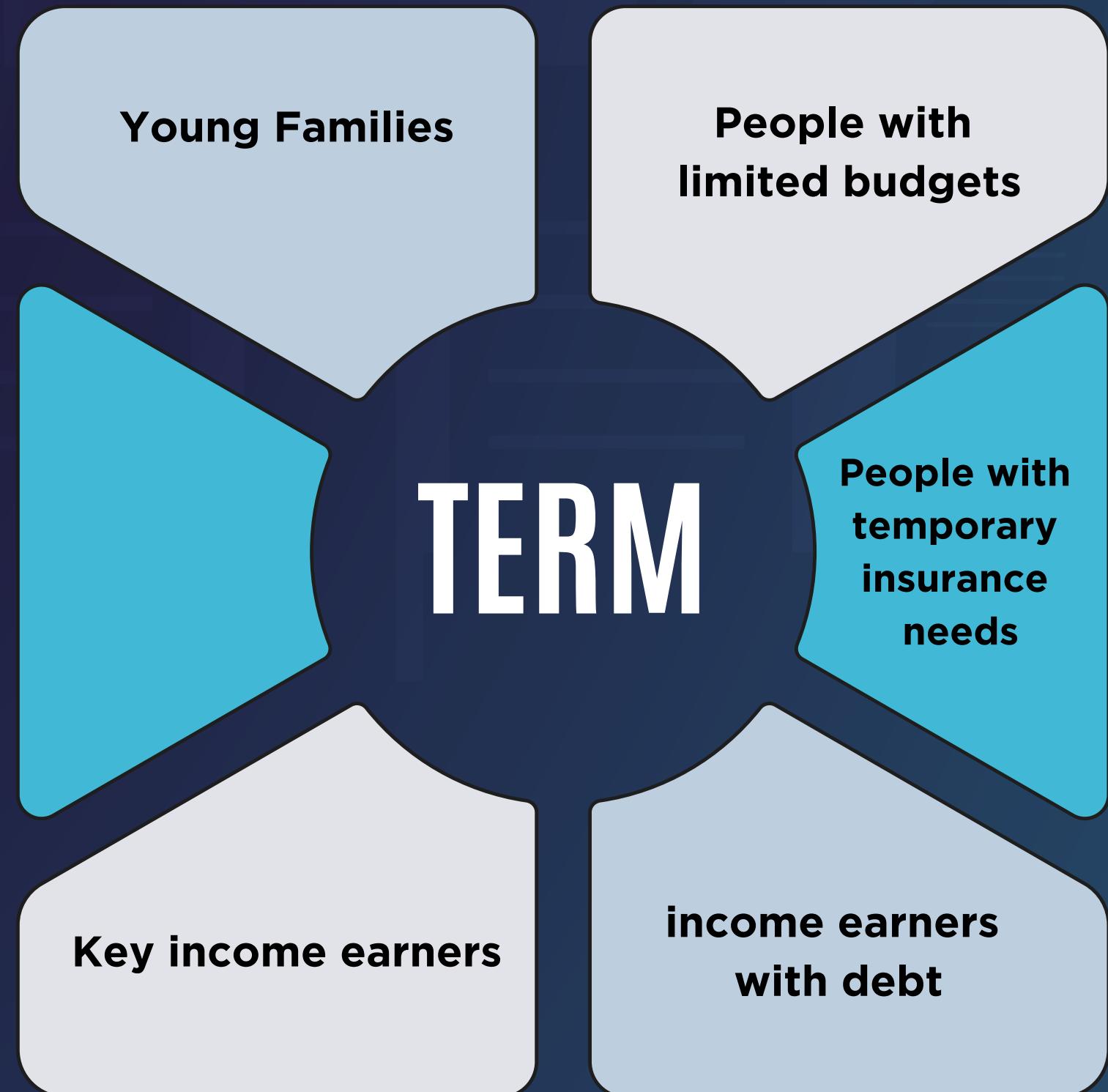
TERM INSURANCE

- 1. Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.
- 2. People with Limited Budgets:** Term insurance tends to be more affordable than whole or permanent life insurance because it provides coverage for a set term without an investment component.
- 3. People with Temporary Insurance Needs:** Those who only need coverage for a certain period—such as until their children are financially independent, their mortgage is paid off, or they retire—can benefit from the specific duration of term insurance.
- 4. Income Earners with Debt:** If someone has significant debts (like student loans or a mortgage), term insurance can provide protection for their family in case they pass away before the debt is paid off.



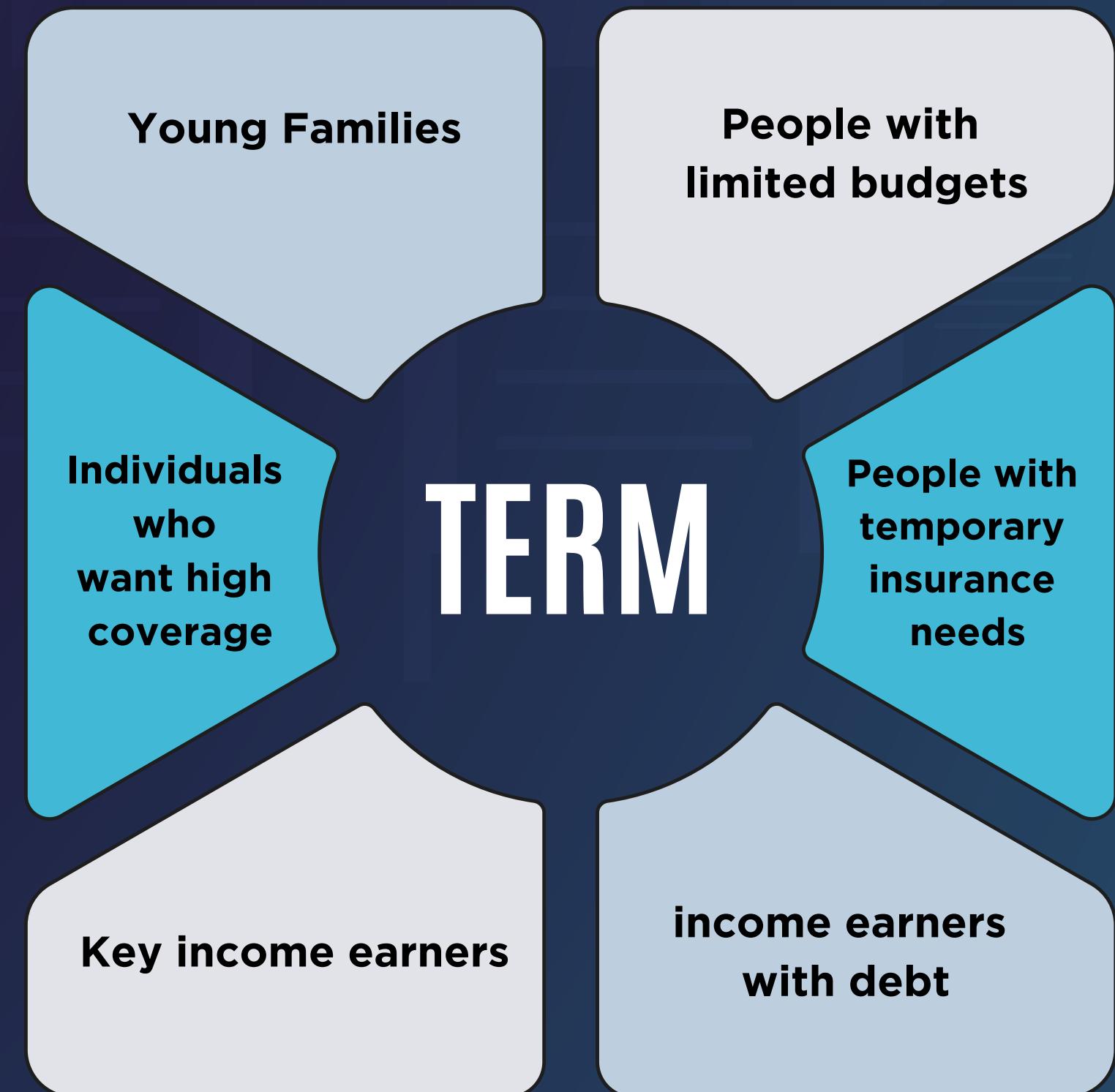
TERM INSURANCE

- Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.
- People with Limited Budgets:** Term insurance tends to be more affordable than whole or permanent life insurance because it provides coverage for a set term without an investment component.
- People with Temporary Insurance Needs:** Those who only need coverage for a certain period—such as until their children are financially independent, their mortgage is paid off, or they retire—can benefit from the specific duration of term insurance.
- Income Earners with Debt:** If someone has significant debts (like student loans or a mortgage), term insurance can provide protection for their family in case they pass away before the debt is paid off.
- Key Income Earners:** Income replacement insurance provides financial support if a key earner can't work or needs to work less. It also helps if a partner's income is reduced while caring for the affected individual. With many modern families relying on dual incomes, protecting both partners is crucial for financial stability.



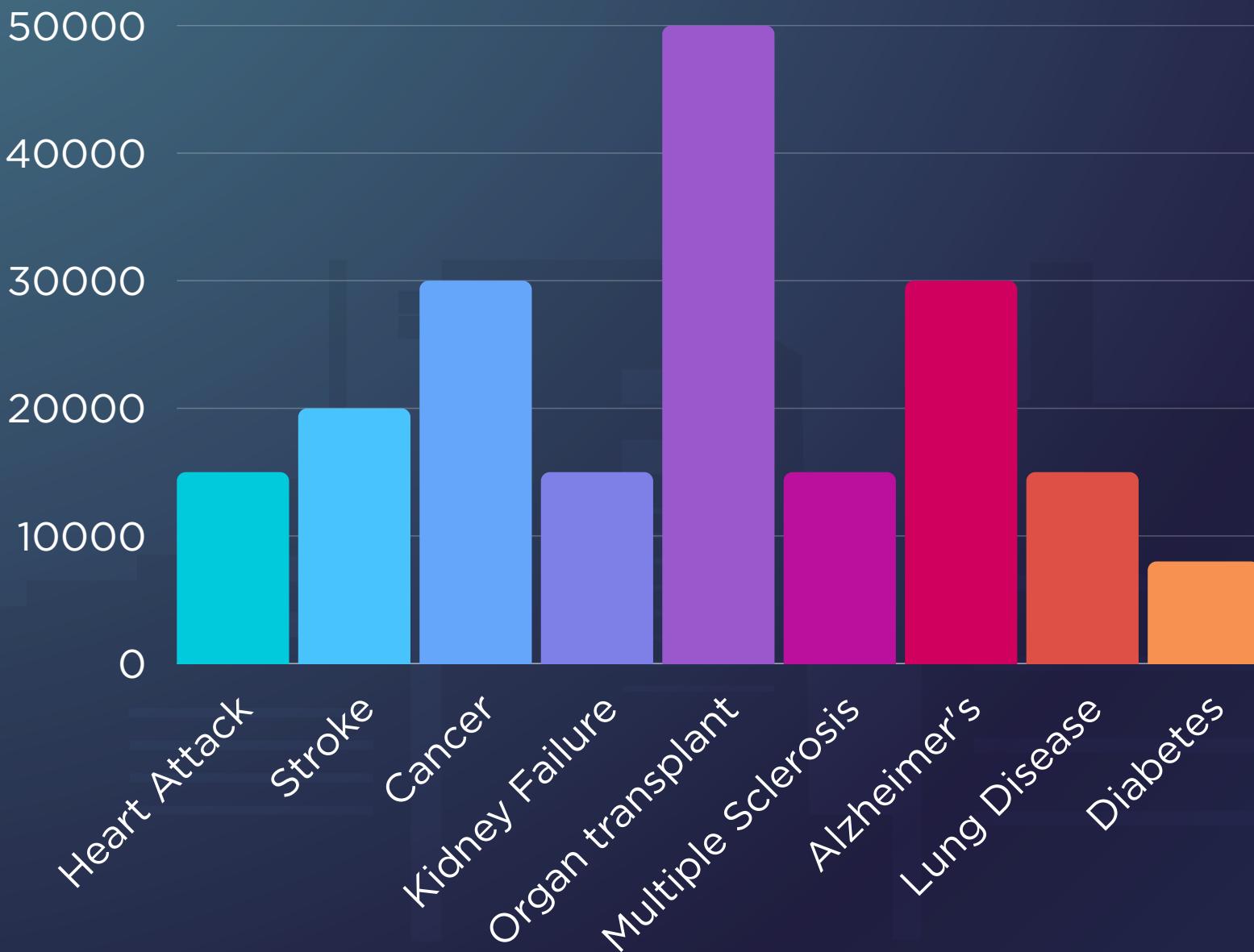
TERM INSURANCE

- Young Families:** Parents with dependents, such as children, can secure financial protection for their family in case something happens to them. The payout can help cover living expenses, education costs, and mortgage payments.
- People with Limited Budgets:** Term insurance tends to be more affordable than whole or permanent life insurance because it provides coverage for a set term without an investment component.
- People with Temporary Insurance Needs:** Those who only need coverage for a certain period—such as until their children are financially independent, their mortgage is paid off, or they retire—can benefit from the specific duration of term insurance.
- Income Earners with Debt:** If someone has significant debts (like student loans or a mortgage), term insurance can provide protection for their family in case they pass away before the debt is paid off.
- Key Income Earners:** Income replacement insurance provides financial support if a key earner can't work or needs to work less. It also helps if a partner's income is reduced while caring for the affected individual. With many modern families relying on dual incomes, protecting both partners is crucial for financial stability.
- Individuals Who Want High Coverage:** Because it's cheaper than permanent life insurance, people looking for a high amount of coverage with lower premiums might opt for term insurance.



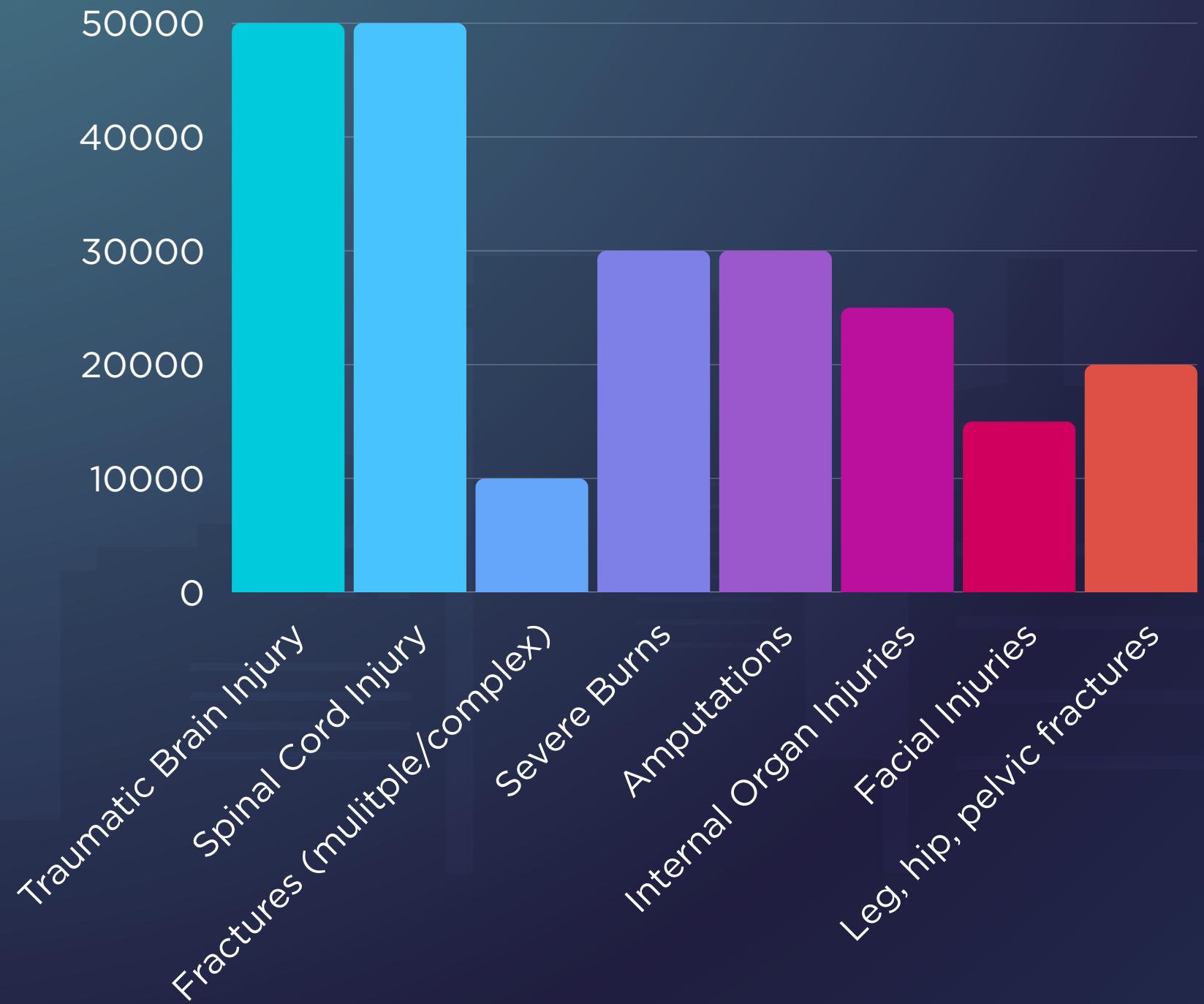
THINK: Simple. Effective. Cost Efficient. Living Benefits = Income replacement (this isn't Aflac, it's the real deal)

HIGH COST OF HEALTHCARE - CRITICAL ILLNESS



These costs reflect typical annual out-of-pocket expenses, which can vary depending on your insurance plan, coverage, and the severity of the illness. Critical illness insurance can help cover a significant portion of these costs.

HIGH COST OF HEALTHCARE - CRITICAL INJURY



Even with health insurance, out-of-pocket expenses for critical injuries can devastate families financially. Expenses vary based on the severity of the injury, your insurance coverage, and the type of treatment required. Critical injury insurance can help mitigate these costs.

REHABILITATION COSTS

Condition	Rehabilitation Cost	Lost Wages
Heart Attack	\$2,000–\$10,000+	\$10,000–\$50,000+
Stroke	\$5,000–\$30,000+	\$15,000–\$80,000+
Cancer	\$5,000–\$50,000+	\$10,000–\$100,000+
Kidney Failure	\$10,000–\$50,000+	\$10,000–\$50,000+
Alzheimer's/Dementia	\$10,000–\$30,000+	N/A (Caregiver lost wages)
Traumatic Brain Injury (TBI)	\$10,000–\$50,000+	\$50,000–\$150,000+
Spinal Cord Injury	\$20,000–\$100,000+	\$40,000–\$200,000+
Burns (Severe)	\$5,000–\$30,000+	\$10,000–\$50,000+
Fractures (Multiple/Complex)	\$2,000–\$10,000+	\$5,000–\$25,000+
Internal Organ Injuries	\$5,000–\$25,000+	\$10,000–\$50,000+

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover end-of-life expenses, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

1. Seniors on a Fixed Income: People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.

1

Seniors on a fixed income

2

3

4

5

6

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover end-of-life expenses, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

- 1. Seniors on a Fixed Income:** People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.
- 2. Individuals with No Existing Life Insurance:** If someone doesn't have a life insurance policy in place and wants to make sure their funeral or final costs are covered, final expense insurance is a good option. It's often easier to qualify for compared to standard life insurance policies.

1

Seniors on a fixed income

2

Individuals with no existing insurance

3

4

5

6

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover **end-of-life expenses**, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

- 1. Seniors on a Fixed Income:** People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.
- 2. Individuals with No Existing Life Insurance:** If someone doesn't have a life insurance policy in place and wants to make sure their funeral or final costs are covered, final expense insurance is a good option. It's often easier to qualify for compared to standard life insurance policies.
- 3. Those Who Want to Avoid Burdening Loved Ones:** If someone wants to ensure that their family or beneficiaries aren't left with the financial responsibility of their funeral, medical bills, or other end-of-life costs, final expense coverage can help provide peace of mind.

1

Seniors on a fixed income

2

Individuals with no existing insurance

3

Those who want to avoid burdening loved ones

4

5

6

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover end-of-life expenses, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

- 1. Seniors on a Fixed Income:** People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.
- 2. Individuals with No Existing Life Insurance:** If someone doesn't have a life insurance policy in place and wants to make sure their funeral or final costs are covered, final expense insurance is a good option. It's often easier to qualify for compared to standard life insurance policies.
- 3. Those Who Want to Avoid Burdening Loved Ones:** If someone wants to ensure that their family or beneficiaries aren't left with the financial responsibility of their funeral, medical bills, or other end-of-life costs, final expense coverage can help provide peace of mind.
- 4. People with Limited Health Conditions:** Final expense coverage tends to be easier to obtain for those with health conditions that might prevent them from qualifying for traditional life insurance. It often doesn't require a medical exam and can be issued with fewer health questions.

1

Seniors on a fixed income

2

Individuals with no existing insurance

3

Those who want to avoid burdening loved ones

4

People with limited health conditions

5

6

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover end-of-life expenses, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

- 1. Seniors on a Fixed Income:** People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.
- 2. Individuals with No Existing Life Insurance:** If someone doesn't have a life insurance policy in place and wants to make sure their funeral or final costs are covered, final expense insurance is a good option. It's often easier to qualify for compared to standard life insurance policies.
- 3. Those Who Want to Avoid Burdening Loved Ones:** If someone wants to ensure that their family or beneficiaries aren't left with the financial responsibility of their funeral, medical bills, or other end-of-life costs, final expense coverage can help provide peace of mind.
- 4. People with Limited Health Conditions:** Final expense coverage tends to be easier to obtain for those with health conditions that might prevent them from qualifying for traditional life insurance. It often doesn't require a medical exam and can be issued with fewer health questions.
- 5. Those Looking for Smaller Coverage Amounts:** Final expense policies usually offer smaller coverage amounts (anywhere from \$5,000 to \$25,000), which is ideal for covering things like funeral expenses, burial, cremation, and other smaller debts rather than large financial obligations like a mortgage.

1

Seniors on a fixed income

2

Individuals with no existing insurance

3

Those who want to avoid burdening loved ones

4

People with limited health conditions

5

Those looking for smaller coverage amounts

6

FINAL EXPENSE COVERAGE

Final expense coverage is designed to cover end-of-life expenses, such as funeral costs, medical bills, or other related expenses. It's typically ideal for:

- 1. Seniors on a Fixed Income:** People over the age of 50, especially those who are retired or have a limited income, can benefit from final expense coverage because it helps ease the financial burden on their loved ones after they pass away. It's more affordable than traditional life insurance policies, making it an appealing option for those who may not qualify for larger policies.
- 2. Individuals with No Existing Life Insurance:** If someone doesn't have a life insurance policy in place and wants to make sure their funeral or final costs are covered, final expense insurance is a good option. It's often easier to qualify for compared to standard life insurance policies.
- 3. Those Who Want to Avoid Burdening Loved Ones:** If someone wants to ensure that their family or beneficiaries aren't left with the financial responsibility of their funeral, medical bills, or other end-of-life costs, final expense coverage can help provide peace of mind.
- 4. People with Limited Health Conditions:** Final expense coverage tends to be easier to obtain for those with health conditions that might prevent them from qualifying for traditional life insurance. It often doesn't require a medical exam and can be issued with fewer health questions.
- 5. Those Looking for Smaller Coverage Amounts:** Final expense policies usually offer smaller coverage amounts (anywhere from \$5,000 to \$25,000), which is ideal for covering things like funeral expenses, burial, cremation, and other smaller debts rather than large financial obligations like a mortgage.
- 6. Individuals Who Want a Simpler Policy:** Final expense policies are typically simpler to understand and apply for compared to other life insurance options. They don't have complicated terms, and the process is usually quick and easy.

1

Seniors on a fixed income

2

Individuals with no existing insurance

3

Those who want to avoid burdening loved ones

4

People with limited health conditions

5

Those looking for smaller coverage amounts

6

Individuals who want a simpler policy

Average Funeral Costs

Professional fees

- Funeral company's or director's labour costs
- Mortuary care (embalming)
- Transport of the body

\$1,750

Caskets

- Wooden caskets range from \$4000 and \$9000
- Metal caskets range between \$7000 and \$28000

\$4,325

Ceremony

- Clergy for the service are usually between \$100 and \$200
- Celebrants usually charge between \$150 and \$300 for a service.

\$175



\$125

\$2,100

Disbursements

- Death and cremation certificates
- Newspaper obituaries
- Flowers
- Memorial attendance books
- Orders of service booklets
- Refreshments
- Live music

Burial

- Burial plot
- Digging fees

\$9,075

Typical Cost of Burial Funeral



Cremation

Cremation Services can range from **\$3,500 - \$9,000**



Burial

Burial Services can range from **\$5,000 - \$20,000+**

INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



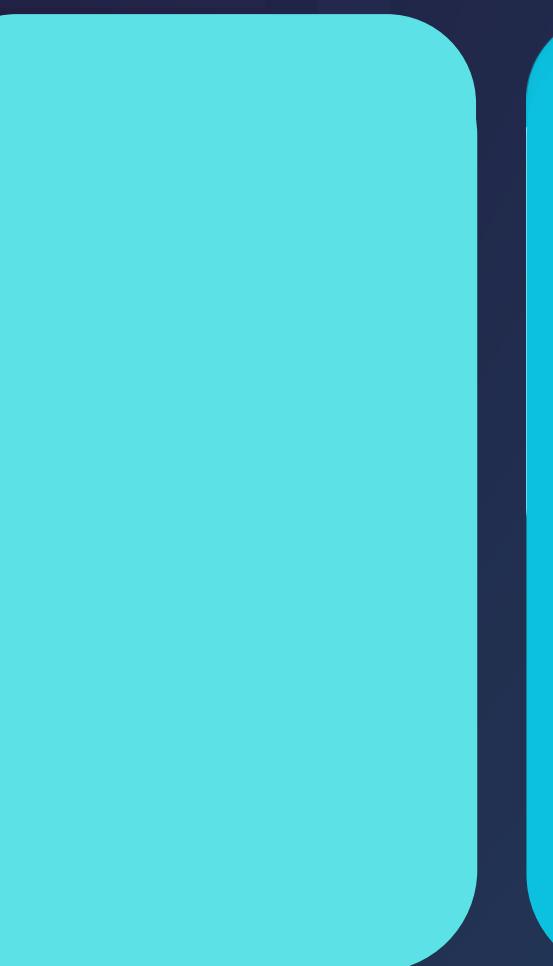
Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



Potential for Cash Value Growth

People looking to accumulate cash value that grows based on stock market index performance (like the S&P 500), but with a floor that protects against market downturns. This makes IUL appealing for those who want growth potential without the risk of direct stock market exposure.



INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



Potential for Cash Value Growth

People looking to accumulate cash value that grows based on stock market index performance (like the S&P 500), but with a floor that protects against market downturns. This makes IUL appealing for those who want growth potential without the risk of direct stock market exposure.



Long-Term Financial Planning

Ideal for those who are planning for the long term, like retirement, as the cash value can be accessed through loans or withdrawals. This feature makes it attractive for individuals who want to use it as a source of supplemental retirement income.



5



6

INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



Potential for Cash Value Growth

People looking to accumulate cash value that grows based on stock market index performance (like the S&P 500), but with a floor that protects against market downturns. This makes IUL appealing for those who want growth potential without the risk of direct stock market exposure.



Long-Term Financial Planning

Ideal for those who are planning for the long term, like retirement, as the cash value can be accessed through loans or withdrawals. This feature makes it attractive for individuals who want to use it as a source of supplemental retirement income.



Estate Planning

Those interested in leaving a legacy to heirs, as IUL policies provide a death benefit that can pass on tax-free, and can be used as part of an estate planning strategy.



Additional benefit: IUL policies often have low premiums and no surrender fees, making them a cost-effective way to build wealth over time.

INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



Potential for Cash Value Growth

People looking to accumulate cash value that grows based on stock market index performance (like the S&P 500), but with a floor that protects against market downturns. This makes IUL appealing for those who want growth potential without the risk of direct stock market exposure.



Long-Term Financial Planning

Ideal for those who are planning for the long term, like retirement, as the cash value can be accessed through loans or withdrawals. This feature makes it attractive for individuals who want to use it as a source of supplemental retirement income.



Estate Planning

Those interested in leaving a legacy to heirs, as IUL policies provide a death benefit that can pass on tax-free, and can be used as part of an estate planning strategy.



Wealth Accumulation with Insurance

Those who want to combine life insurance with a wealth accumulation strategy, offering a balance between protection and investment growth.



INDEXED UNIVERSAL LIFE (IUL)

Indexed Universal Life (IUL) insurance is ideal for individuals who want



Flexible Coverage

Those seeking both life insurance protection and the ability to adjust their coverage as their needs change over time. IUL policies offer flexibility in premium payments and death benefits.



Potential for Cash Value Growth

People looking to accumulate cash value that grows based on stock market index performance (like the S&P 500), but with a floor that protects against market downturns. This makes IUL appealing for those who want growth potential without the risk of direct stock market exposure.



Long-Term Financial Planning

Ideal for those who are planning for the long term, like retirement, as the cash value can be accessed through loans or withdrawals. This feature makes it attractive for individuals who want to use it as a source of supplemental retirement income.



Estate Planning

Those interested in leaving a legacy to heirs, as IUL policies provide a death benefit that can pass on tax-free, and can be used as part of an estate planning strategy.



Wealth Accumulation with Insurance

Those who want to combine life insurance with a wealth accumulation strategy, offering a balance between protection and investment growth.



Tax Free Retirement

This provides individuals with the opportunity to access a guaranteed, tax-free income stream later in life, along with the ability to take tax-free loans when needed.

Summary

HIDE IUL HIDE INPUTS SAVE RESET

Hypothetical Example		NORTH AMERICAN	Indexed Universal Life
Starting Balance	\$0.00		\$0.00
Annual Employer Match	\$0.00		N/A
Effective Tax Rate (Working) ¹	20%		20%
Effective Tax Rate (Retirement) ¹	22%		N/A
Fees	3%		Included
Rate of Return (working)	6.55%		6.55%
Rate of Return (retirement)	4%		6.55%
Annual Contributions/Premium	\$0.00		\$0.00
Total Contributions/Premium	\$395,000.00		\$316,000.00
Annual Gross Retirement Income	\$0.00		\$31,488.00
Annual Income Tax (working)	\$0.00		\$0.00
Annual Income Tax (retirement)	\$0.00		\$0.00
Annual Net Retirement Income	\$0.00		\$31,488.00
Cumulative Taxes Deferred ²	\$0.00		\$0.00
Cumulative Taxes Paid	\$109,824.48		\$79,000.00 <
Cumulative Fees/Expenses Paid	\$161,676.66		\$158,263.41 <
Cumulative Net Income	\$389,377.72		\$472,320.00 <
Account Balance	\$0.00		\$875,628.00 <
Death Benefit³	\$0.00		\$181,098.00 <

Change Retirement Lifetime Income Equalize Contributions Qualified Plan Early Withdrawal Penalty Compare Out-of-Pocket Highlighter



PERSONAL FINANCIAL REVIEW

Retirement Planning Questions

- 1 At what age do you want to retire?
- 2 How much money would you like to have saved when you retire?
- 3 How much monthly income would you like to live on for the rest of your life?
- 4 What are some of your goals and dreams in retirement?
- 5 If I put together a plan that could accomplish your retirement goals and dreams, would you be interested in implementing it?



DIME Number

To protect you and your loved ones, you need the right amount of coverage.

Debt

How much debt do you currently have?

Income x 10

Multiply your current income times 10 to replace your income for 10 years.

Mortgage

How much money would you need to pay off your mortgage?

Education

How much money would you need for your children to achieve their education goals?

Total Insurable Need:

Taxable

Savings, Stocks, etc.

Tax Deferred

401K, IRA, Pension, etc.

Tax Advantage

Roth IRA, Life Insurance, etc.

USE THE D.I.M.E. METHOD TO DETERMINE THE CLIENT'S NEEDS

Ask questions. **Listen** to their answers. Discover their pain points and show the client how the products we offer can help solve their problems.

Remember, most clients need the full care package, or a combination of Term, Final Expense, and/or Indexed Universal Life. Understanding the function of each policy will help you make the recommendations that are best for the client.

Mission over commission, always.



GO FOR IT!

