

INSURANCE CONCEPTS

Module 2

Presented By:
Michael Cherniawski, NVP



INSURANCE CONCEPTS



01

**Term
Insurance**



02

**Final
Expense**



03

**Indexed
Universal
Life**

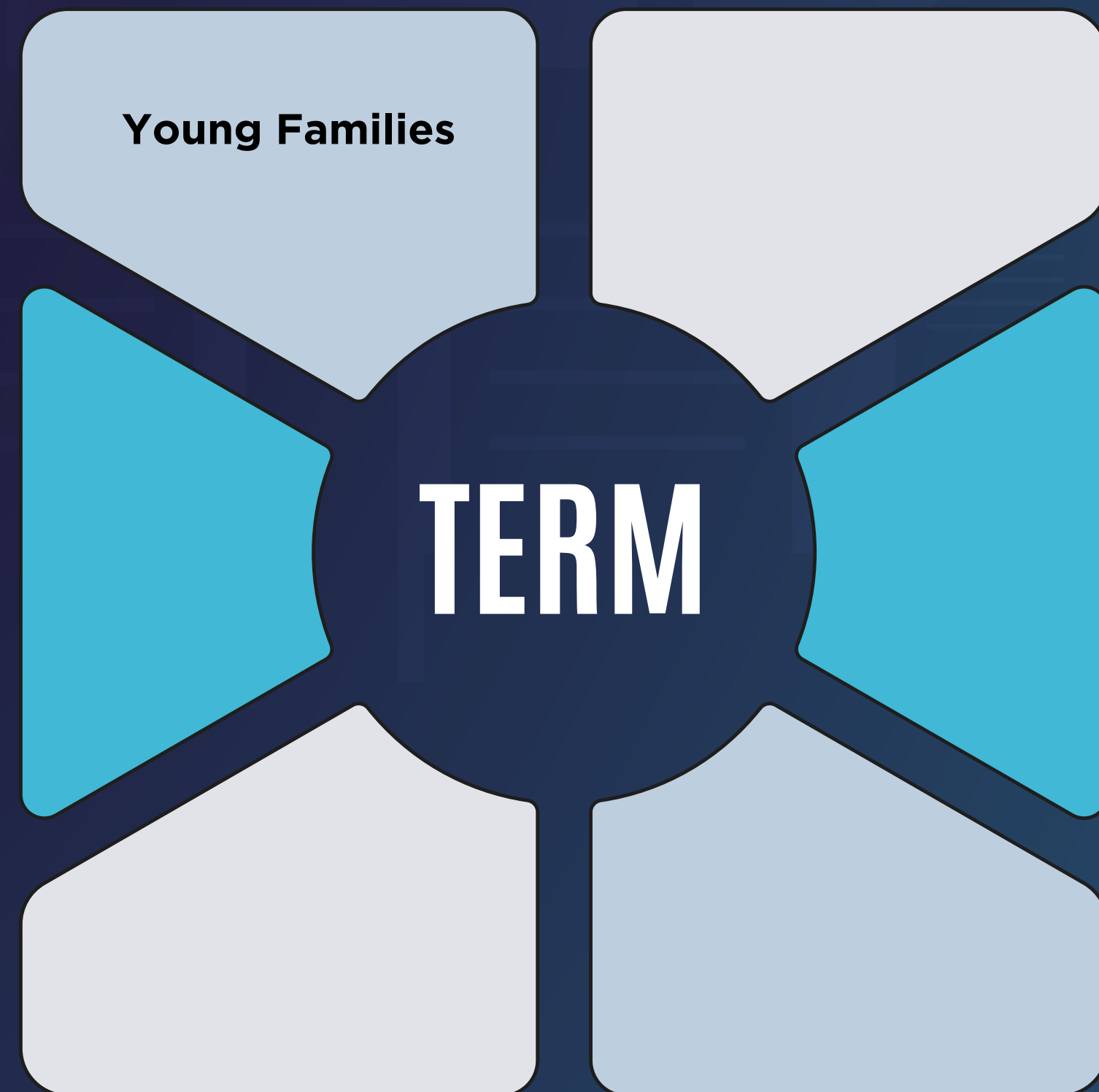


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D.I.M.E

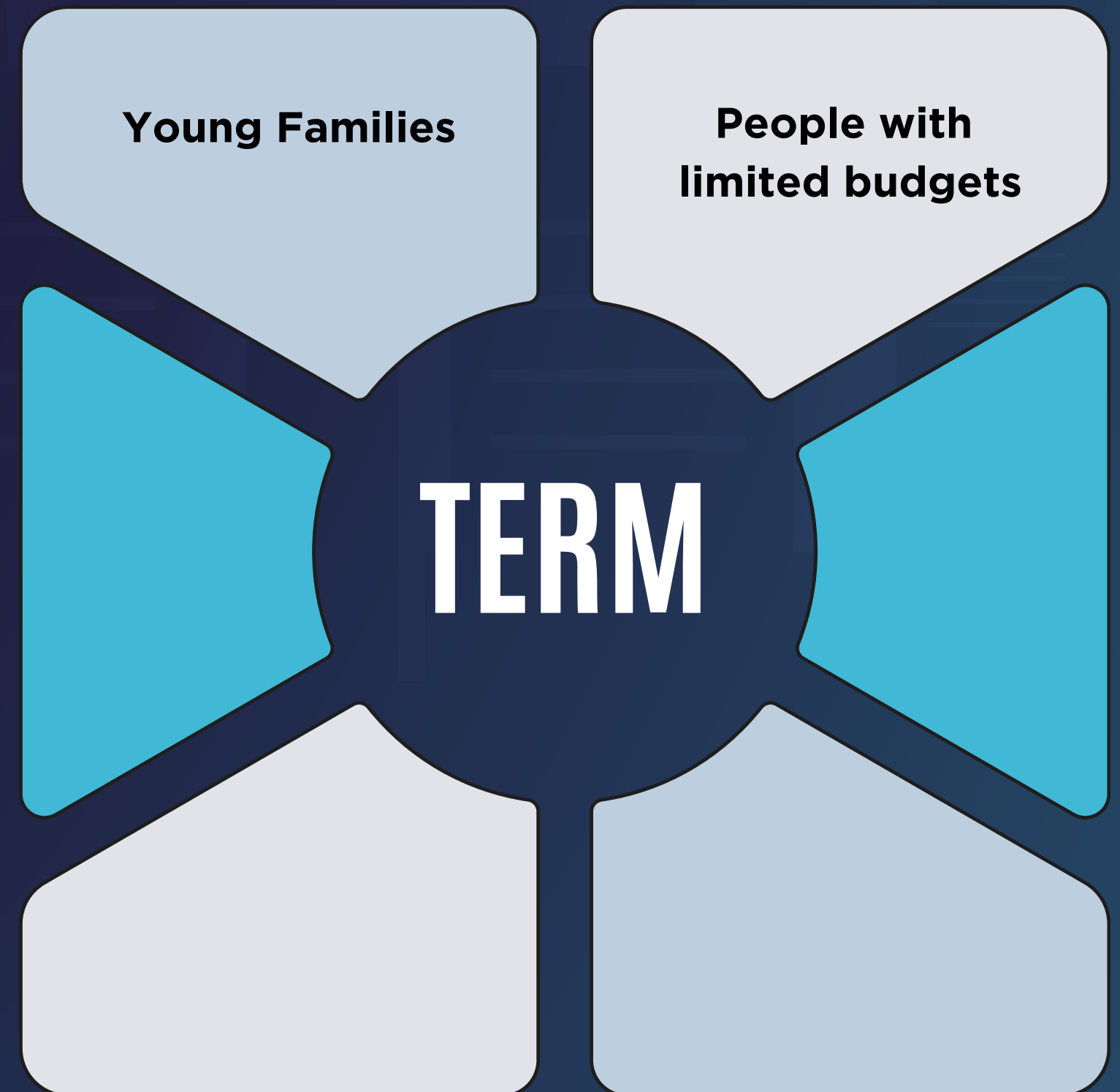
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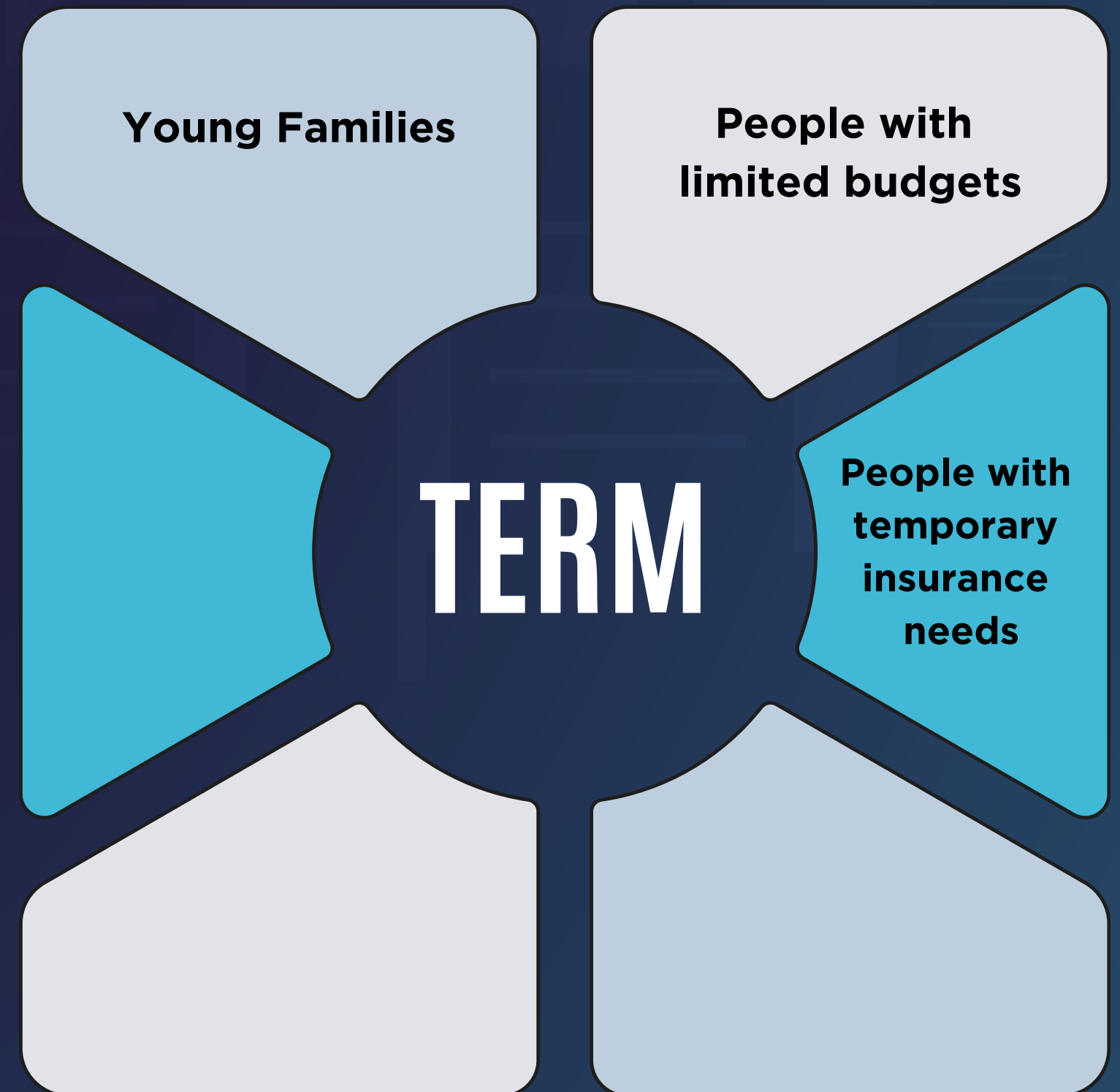
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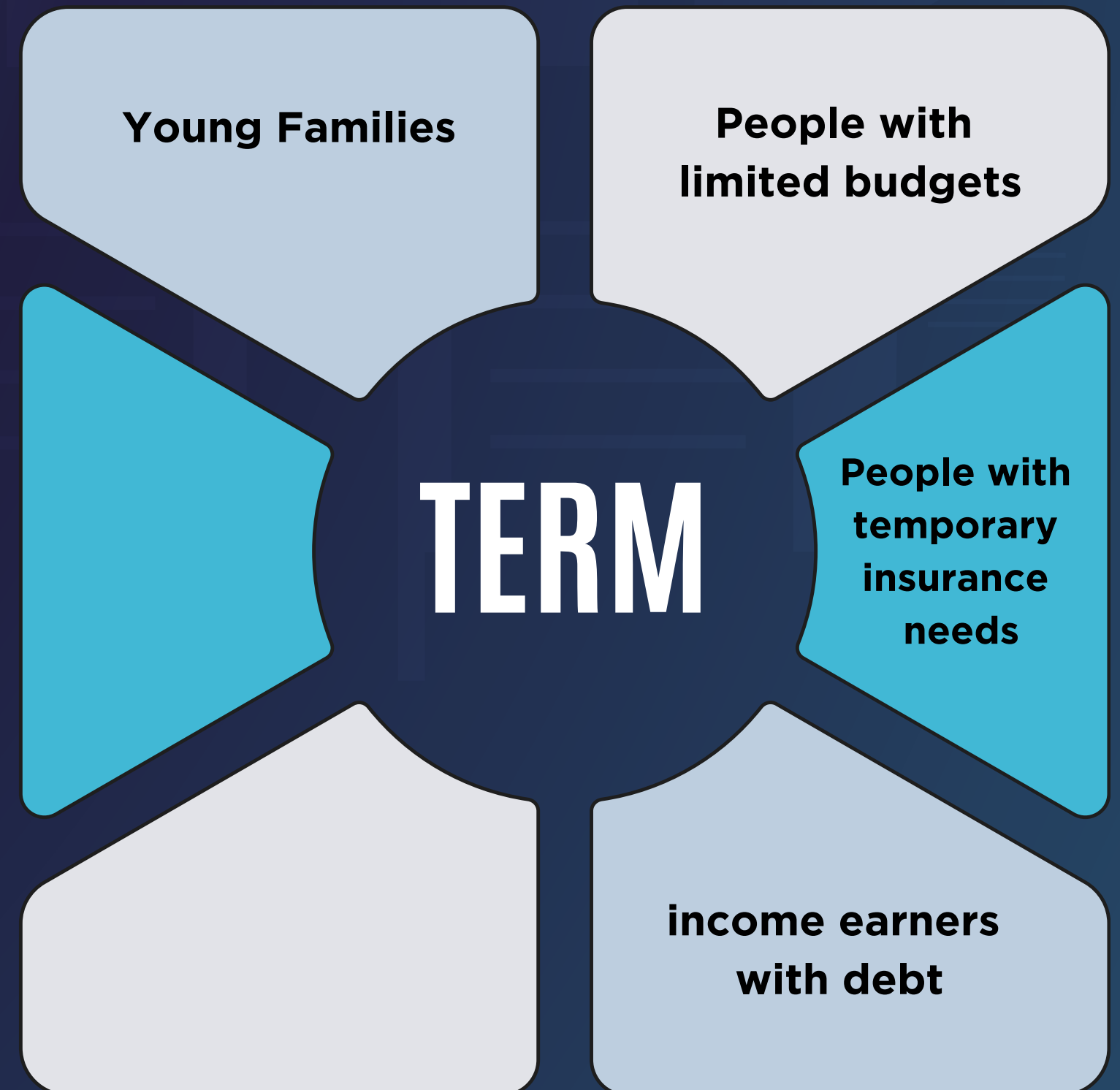
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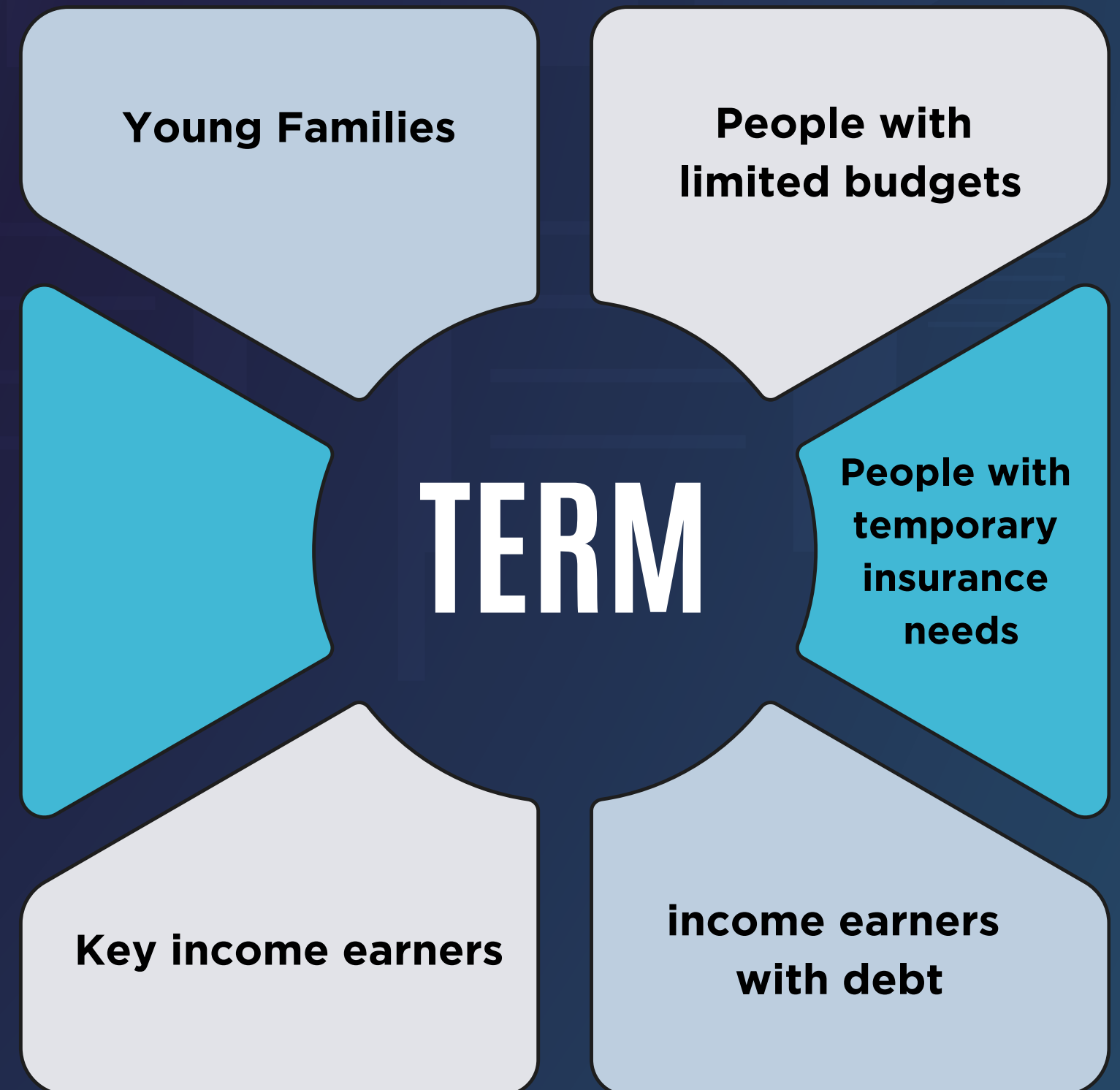
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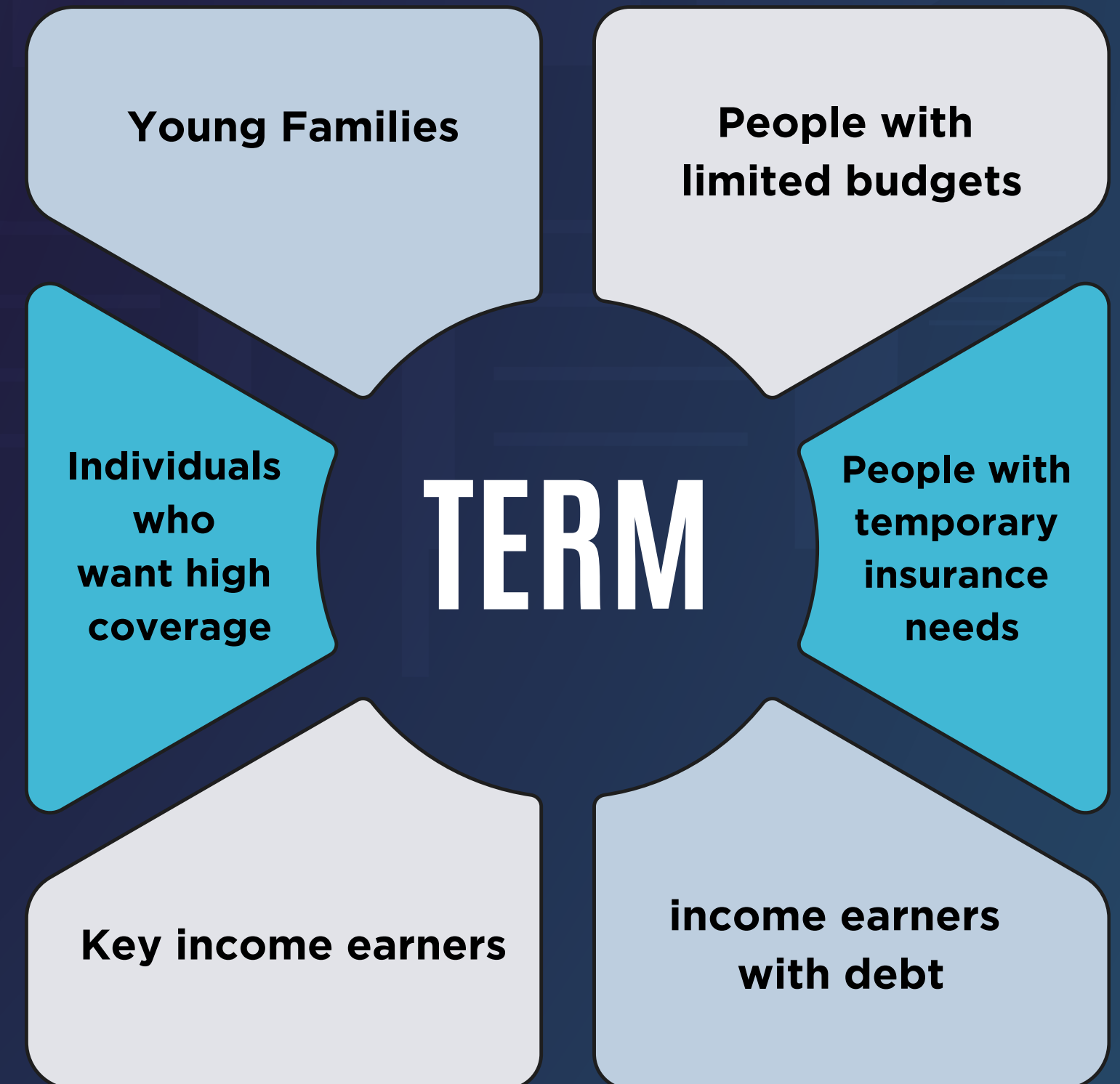
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5. **Key Income Earners:** Income replacement insurance provides financial support if a key earner can't work or needs to work less. It also helps if a partner's income is reduced while caring for the affected individual. With many modern families relying on dual incomes, protecting both partners is crucial for financial stability.



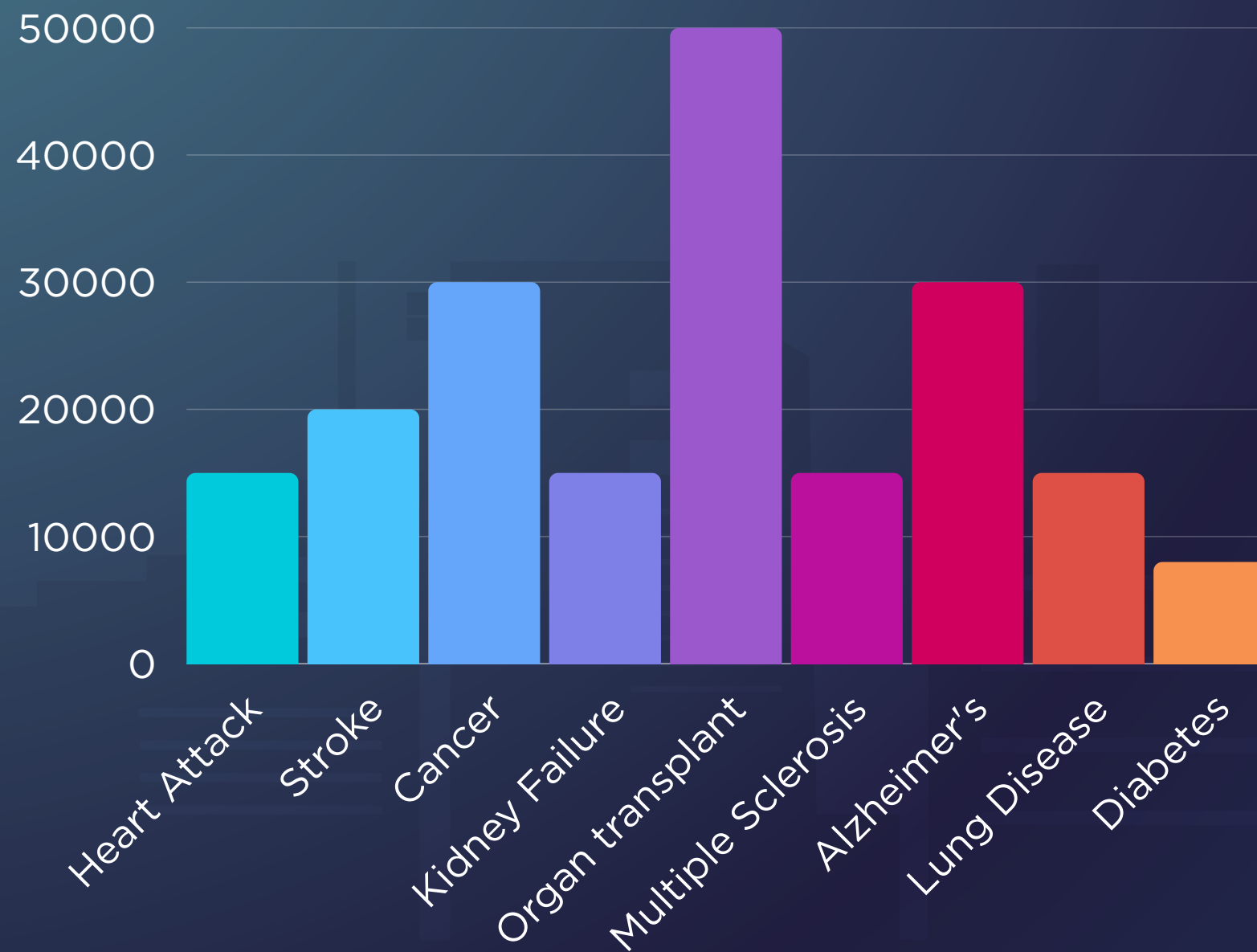
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6. **Individuals Who Want High Coverage:** Because it's cheaper than permanent life insurance, people looking for a high amount of coverage with lower premiums might opt for term insurance.

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

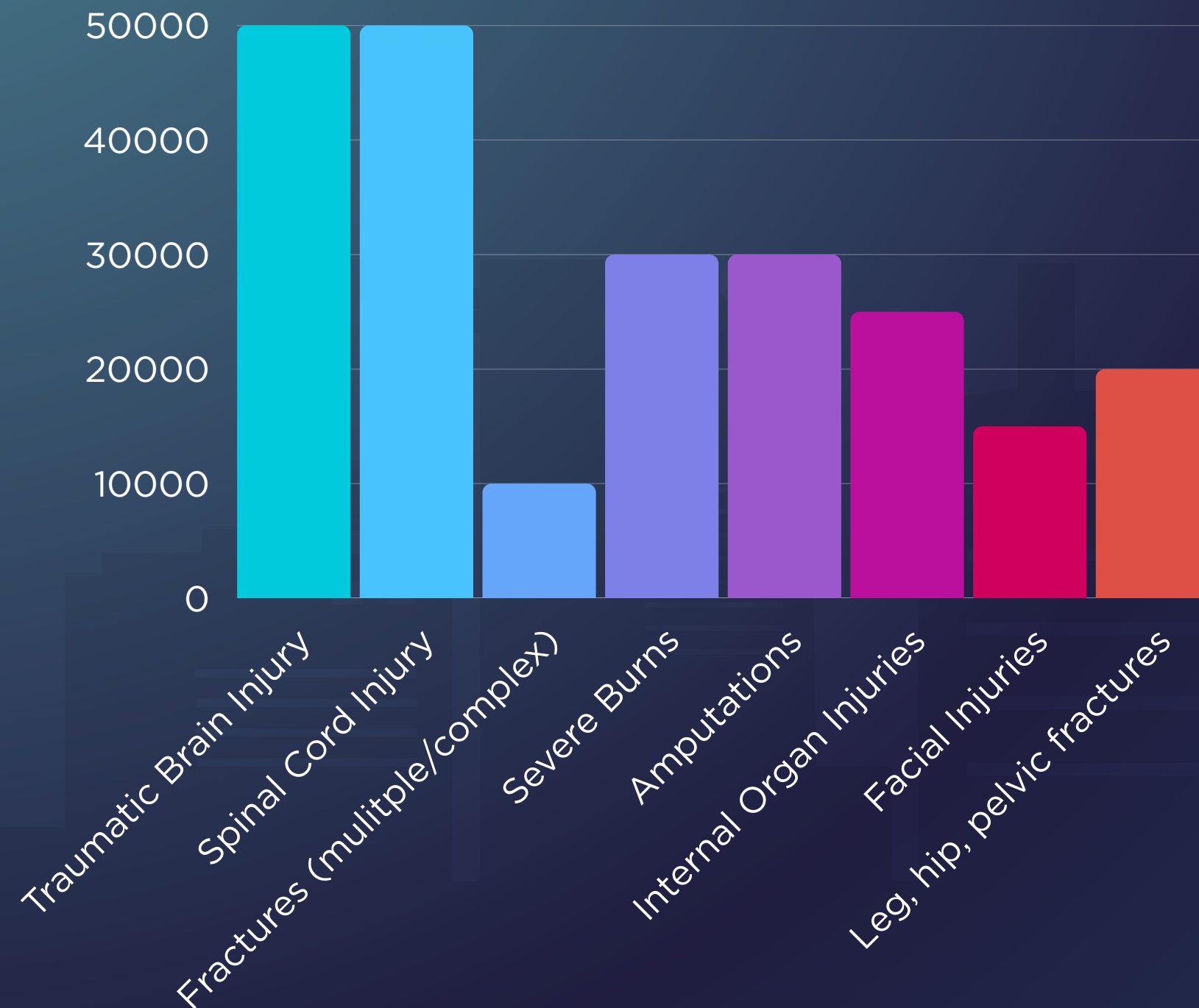


HIGH COST OF HEALTHCARE - CRITICAL ILLNESS



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.

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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.

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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.

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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.

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Those looking for smaller coverage amounts

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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

Disbursements

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

\$725

Burial

- Burial plot
- Digging fees

\$2,100



Cremation

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



Burial

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

\$9,075

Typical Cost of Burial Funeral

INDEXED UNIVERSAL LIFE (IUL)

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Flexible Coverage

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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.



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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.



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Wealth Accumulation with Insurance

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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



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 Benefit ³



\$0.00

\$181,098.00 <

Change Retirement



Lifetime Income



Equalize Contributions



Qualified Plan



Early Withdrawal Penalty



Compare Out-of-Pocket



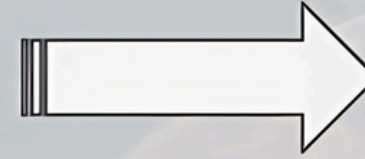
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PERSONAL FINANCIAL REVIEW

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.



GFI

GO FOR IT!

