



## BROKERAGE NEWS

Q3 | 2018

VOLUME 19, NO. 3

by Producers, for Producers

### STUDENT LOAN REPAYMENT RIDERS

Industry Additions from  
Q2, 2018

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## New *Student Loan Repayment Riders*

from The Standard and Ameritas

truluma.com



## Student Loan Repayment Rider Changes in Q2, 2018

### AMERITAS

Ameritas has introduced a new Student Loan Repayment Rider to help the approximate 45 million individuals in the U.S. with student loan debt. The rider can be added to an individual disability insurance policy and is specifically designed to provide your clients with funds to repay their student loans in the event an injury or illness prevents them from working.

### Rider Details

- Requires a disability policy with at least \$1,000 base benefit
- Monthly loan reimbursement up to \$2,500 (total combined loans, up to three)
- Covers up to three separate loans
- Coverage periods of 5-15 years (must be less than or equal to the base benefit period)
- Pick either a 90-day or a 180-day elimination period (must be equal to or greater than the base)
- Definition of disability matches the definition of the base policy

### Unique Market Advantages

While there are a handful of Student Loan Reimbursement Riders in the market, the new rider from Ameritas is currently the only rider that can protect the insured in the event of a partial or residual disability as well as a total disability.

If the policy includes residual disability protection, and the insured is collecting disability benefits under that feature, the Student Loan Repayment Rider will reimburse one-half of the monthly loan payment (not to exceed one-half of the maximum monthly Student Loan Repayment benefit).

### Existing Clients

Clients with existing Ameritas disability insurance policies have the ability to add the Student Loan Repayment Rider. Simply complete these forms (UN 1799, UN2852BH, and UN5021), and follow the criteria below to submit the request.

- 1) Policy criteria: Rider can be added on policy anniversary, at attained age
  - a) Available on existing DInamic Foundation DI policies ending in A or N
- 2) Illustration criteria: Quoting the rider by itself must follow the selections of the base policy
  - a) Occupation class, plan type, definition of disability, discount, etc.
  - b) Loan coverage periods, 5-15 years (must be less than or equal to base benefit period)
  - c) Elimination period, 90 or 180 day (must be greater or equal to base elimination period)

### THE STANDARD

The Standard's Student Loan Rider is now available for more occupations. Any clients in occupation classes 5A, 5P, 4A, 4P, 4S, 3A, 3P or 3D are eligible as of June 27, 2018. The monthly benefit options are now more flexible as well.

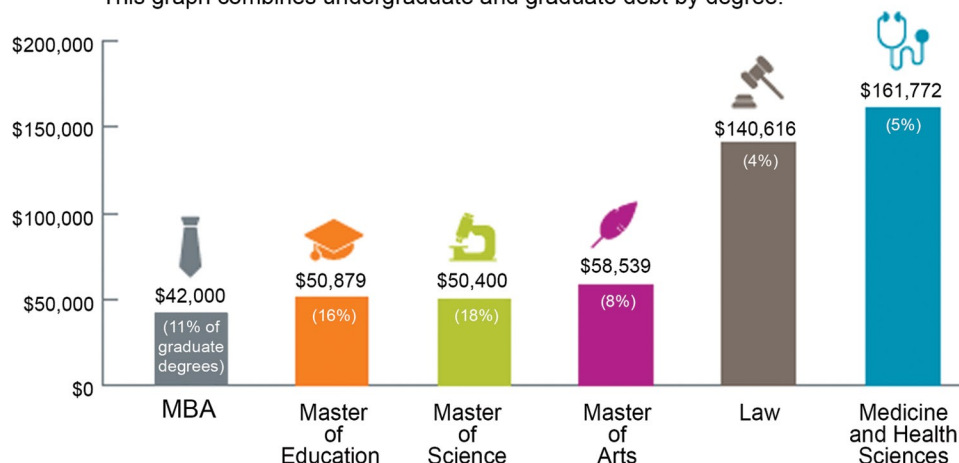
### Update Details

- 5A, 4A and 3A occupation classes will be eligible for a minimum of \$100 and a maximum of \$1,500 monthly in student loan benefits.
- 5P, 4P, 4S, 3P and 3D occupation classes will be eligible for a minimum of \$100 and a maximum of \$2,500 monthly in student loan benefits.

Advisors may request to add or change the Student Loan Rider for applications in process, approved policies pending delivery, and active policies with effective dates on or after May 27, 2018. Requests must be made by July 13, 2018. [Click here to see our June 27th news post on truluma.com, where you can find a link to the complete transition rules from The Standard.](#)

### Student loan debt in the U.S. is an estimated \$1.5 trillion.<sup>2</sup>

This graph combines undergraduate and graduate debt by degree:



Student loan debt is now the second highest consumer debt category in the U.S.<sup>1</sup>

Approximately 45 million borrowers owe a total of over \$1.5 trillion<sup>2</sup>.

*How would your clients manage student loan payments if an injury or illness prevented them from working?*

<sup>1</sup>Forbes.com, <sup>2</sup>Lendedu.com

## Beyond DI: A Simplified-Issue Death Benefit



Over the last few decades, the Surplus Lines specialty market has been successful in developing some of the life and health insurance industry's most brilliant and forward-thinking products for American businesses. Failure to Survive (FTS) insurance is one such evolution that is proving to be an incredible tool for many advisors

The product goes by various monikers throughout the industry (FTS, CAP, CPI), but the basic Failure to Survive policy is similar in format to term insurance for third-party business applications. Its main purpose is to address buy/sell or business loan situations where there is a financial obligation to indemnify a contract upon the death of an individual. It is also commonly used to insure marquee employees or business owners with a straightforward key person benefit chassis. The product can be designed to also address the insurance requirements for divorce decrees and court orders.

The real magic of the FTS product is that it can be underwritten very quickly. The average turnaround time from receipt of application (short one-pager) to the binding of coverage can be as little as two to three business days. Underwriters offer simplified issuance of the coverage without cumbersome requirements like time-consuming physical exams and lab work.

The quick underwriting period allows policy owners to meet the strict, time-sensitive deadlines mandated by lending institutions on loan agreements. An FTS policy can also be extremely useful when traditional term insurance underwriting is holding-up a business deal relying upon the financial indemnification of a corporate buy/sell agreement.

FTS underwriting is also more liberal than that of traditional term carriers, making FTS coverage the obvious solution for impaired risk cases and those that have been previously declined by the regular market for adverse medical histories or drug and alcohol issues.

The FTS product line is now available to individuals directly or indirectly working in the rapidly-expanding legal cannabis industry, no matter the business need.

The flexibility and adaptiveness of FTS insurance gives it countless uses in today's market.

## The latest addition to our White Paper Library: *Taking a Closer Look at Disability Buy-Up*

*Click here to request your copy via email.*

Focus on Executive Benefits:  
**Taking a Closer Look at Disability Buy-Up**  
An Informative White Paper from Truluma

## A Closer Look at IDI Buy-Up

There may be significant opportunities for you and your firm to provide valuable, creative solutions for your clients and their executive teams while increasing your sales through one of the hottest areas of Executive Benefits: **Individual Disability Insurance Buy-Up**.

### *IDI Buy-Up provides you with:*

- Flexibility to design plans that will separate you from your competition
- Increased client retention
- Increased revenue per client

### *IDI Buy-Up allows your client to:*

- Provide highly-compensated and key employees with enhanced benefits
- Cover a larger percentage of income
- Obtain rate stability

Our latest white paper provides more information on how and why your peers are using IDI Buy-Up strategies to win cases and deepen client relationships. [Click here to email Truluma Marketing Coordinator, Jenny, and request your copy of this informative resource today.](mailto:jenny@truluma.com) [jenny@truluma.com](mailto:jenny@truluma.com)



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### NEWS YOU CAN USE

***Carrier Updates, Q2 2018*** Find more details about each of the updates below, along with all of our real-time industry news in the News section of truluma.com. [Click here to subscribe to our monthly e-News, delivered right to your inbox.](#)



The Standard upgraded its Critical Care physician occupation class from 3P to 4P for Platinum Advantage. They've also upgraded the Critical Care physician occupation class to 4A for Business Equity Protector<sup>SM</sup> and Business Overhead Protector<sup>SM</sup>. You'll see this change in The Standard's illustration software as well as its IDI Online Reference Product Guide.



The Standard announced Platinum Advantage is available in six new states and the District of Columbia starting. It can now be offered to your clients in New York, Connecticut, Delaware, Montana, North Dakota, South Dakota and Washington, D.C.



Effective immediately, Ameritas has made several product and underwriting changes to their Dnamic Foundation policies. Changes include occupational class enhancements, a reduction in BOE financial documentation requirements, tobacco use changes for cigar smokers, and FIO guideline enhancements. [Click here to see our news post from May 30, 2018 to find detailed information on these updates.](#)



Last fall, Ameritas announced enhancements to its eApply electronic application system, including the reflexive questioning wizard for term products. On April 30, 2018, Ameritas expanded the use of the wizard with additional products, including its DI products.