



IUL HANDBOOK

 **FAMILY FIRST LIFE**

 **An Integrity Company**

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DISCOVERY CALL

Discovery Call Script - IUL/TFRA/Infinite Banking

NOTE: Immediately below, you see a version that explains how this discovery call script works, below that is a narrative version

1. Take Control

a. Discovery Call - Intro

- i. **Hi ____ this is ____ I'm calling about the IULs (Indexed universal Life, You filled out a request online... (if they seem unclear about what you're asking)..**
- ii. **That's where you can be your own bank...create tax-free retirement savings... build generational wealth...**
- iii. If they seem like they are getting it: **Thank you for submitting your information.**
- iv. Be assumptive with moving forward) **I'm going to ask you a few quick questions to make sure this is something that you might qualify for and go from there, sound good**
- v. If they let you keep going, Continue to "1.2" below b)
- vi. If they stop you because they are actually busy
 1. **No worries, Are mornings or evenings typically best for you?**
 2. Set the appointment for a Discovery (or when you are a little seasoned, a 1-Call Close)

b. **So bring me up to speed, what are you looking to get out of the Indexed Universal Life?**

- i. Get the answers & Take Notes
 1. If they are confused as to what the IUL is/does...
 - a. **So a lot of people want to leverage the cash value... for tax-free retirement building, being their own bank, things like that. (2) There are also living benefits and of course a death benefit (3) What's most important to you?**
 2. A lot will say "all of that"... need to get a little deeper than that
- ii. **Ok, Now I'm going to cover some additional info and see if this would be a good fit, Fair enough? / Sound good? / Make sense?**

2. Client Profile

a. Money items first

- i. Tie them into their goals... ex: if they wanted tax free retirement or anything having to do with savings for the future
 1. **EXAMPLE "Since we want to focus on tax-free retirement savings, have you already started building a savings... Do you have any retirement accounts> 401K, Roth, etc /**
- ii. **Do you own or rent,**
- iii. **Have you been able to build up any savings, if so, what's a ballpark amount you've been able to build?**

b. Health History **This is ultimately a life insurance product so let's jump into your health**

- i. **What's your age, Do you smoke?, How tall are you, and your weight, do you take any medications (write them down, know what they are for), any health conditions NOW or in the PAST?**

DISCOVERY CALL

- ii. ***Within the last 10 years, do you have anything on your driving record, like a DUI or lots of speeding? Anything that would show up criminally in the last 10 years, and finally, any current license suspension or bankruptcies?***
- 3. **Schedule - Presentation (OR jump into it if you have the time and it feels right!!!!)**
 - a. ***Base on what we covered, an IUL makes sense for your goals for (insert things they want to get from the IUL)***
 - b. ***The next step is to schedule a follow-up where I can walk you through your IUL Illustration that will show you the performance of the cash value, living benefits and death benefit inside of the IUL.***
 - c. ***Would anyone else be involved in helping you make this decision? (they need to be there too)***
 - d. ***Are you familiar with ZOOM?***
 - i. ***If Yes- Great...Are mornings or evenings typically best for you?***
 - ii. ***Make appointment***
 - iii. ***Anchor commitment***
 - 1. ***My schedule is usually fully booked. Is there any reason to believe that ___day___ at ___time___, won't work for you?***
 - 2. ***Once we hang up, you'll get an appointment confirmation and I'll be texting you leading up to the appointment as a reminder.***
 - 3. ***And if you can do me a favor, if anything comes up, please just let me know.***
 - 4. ***Ok, I look forward to seeing you ___day___ at ___time___***
 - iv. ***If No***
 - 1. ***OK, we can do everything over the phone. Will you be able to download a PDF to your phone and we can go over it during our call?***
 - v. ***Anchor commitment***
 - 1. ***Great...My schedule is usually fully booked. Is there any reason to believe that ___day___ at ___time___, won't work for you? 2. Once we hang up, you'll get an appointment confirmation and I'll be texting you leading up to the appointment as a reminder. 3. And if you can do me a favor, if anything comes up, please just let me know. 4. Ok, I look forward to seeing you ___day___ at ___time___***

DISCOVERY CALL

JUST Script Version

- Hi ____ this is ____ I'm calling about the the IULs (Indexed universal Life, You filled out a request online for that
- (That's where you can be your own bank...create tax-free retirement savings... build generational wealth...Do you recall being interested in that?)
-
- Well thanks for the interest and filling that out. How about this...I'm going to ask you a few quick questions to make sure this is something that you might qualify for and go from there, sound good
- So bring me up to speed, what are you looking to get out of the Indexed Universal Life?
- (A lot of people want to leverage the cash value... for tax-free retirement building, being their own bank, things like that...There are also living benefits and of course a death benefit...What's most important to you?)
- Perfect!... I'm going to cover some additional info and see if this would be a good fit, Sound good?
- Since you are wanting to (*be your own bank*... have you started building any other accounts like a 401K or Roth or anything like that?)
- Do you own or rent?
- Have you been able to build up any liquid savings, if so, what's a ballpark amount you've been able to build?
- Got it... This is ultimately a life insurance product so let's jump into your health
-
- What's your age
- Do smoke
- How tall are you
- And your weight
- Do you take any medications (write them down, know what they are for)
- Any health conditions NOW or in the PAST?
-
- Within the last 10 years, do you have anything on your driving record, like a DUI or lots of speeding?
- Anything that would show up criminally in the last 10 years?
- And finally, any current license suspension or bankruptcies?
-
- Got it...Based on what we covered, an IUL makes sense for your goals of being your own bank, making sure your family is protected, as well as the benefits we covered. The next step is to schedule a follow-up where I can walk you through your IUL Illustration that will show you the performance of the cash value, living benefits and death benefit inside of the IUL. Would anyone else be involved in helping you make this decision?
- Great, Let's look for a time when you are (both) available. Are you familiar with ZOOM?
- Are mornings or evenings typically best for you?
- Give 2 options that "fit"
- Perfect. My schedule is usually fully booked. Is there any reason to believe that ___day___ at ___time___, won't work for you?
- Great! Once we hang up, you'll get an appointment confirmation and I'll be texting you leading up to the appointment as a reminder. And if you can do me a favor, if anything comes up, please just let me know.
- Ok, I look forward to seeing you ___day___ at ___time___, talk to you then, take care

FINACIAL INVENTORY

Date: _____

Comp: _____

Type: _____

CLIENT PROFILE

Source: _____

Follow Up 1: _____

Follow Up 2: _____

Close Date: _____

Carrier: _____

Policy# _____

M/Premium _____

1st Due Date: _____

Name: _____

DOB: _____

Age (Closest): _____

P# _____

Spouse: _____

Email: _____

Smoke: Yes / No

Driving?__ Suspended?__ Record?__ Bankruptcy?__ Treatment?__
Medications: _____

Height_____ Weight_____

Heart | Stroke | TIA | Cancer | Diabetes | Mental | Pain Meds | HBP | Cholesterol | Asthma | COPD |
Thyroid | Kidney | Liver | Anxiety/Depression | Alzheimer | Dementia

Goal/Why: _____

Current Life Insurance? N / Y Work &/or Private

Golden Question: What do you have that acts like insurance;
401K, Roth, TSP?

401K: _____ W/P Roth: _____ W/P

Is your retirement protected? Y / N

Silver Question, how much "Liquid" savings:

Current Debt: _____ Home: _____

Retire Timeline: _____

Other: _____

Monthly Income: _____ Monthly Contribution: _____

"What do you want out of the _____"

NOTES: _____

What's the plan/Options:

1) _____

2) _____

3) _____

4) _____

Address: _____

City: _____ State: _____ Zip: _____

DL# _____

Is. State: _____ Is. Date: _____ Exp: _____

Banking Info

Name: _____

Routing: _____

Account: _____

Wrap Up / Next Steps

___ Send TEXT / E- Congratulations?

___ Agent for life

___ Referrals? _____

___ doyourownwill.com (check if needed)

RULE OF THUMB

POLICIES LESS THAN \$300

These Should be Considered

-Simplified Issue -

Ethos IUL, Americo IULE, MOO IULE

**When Writing these Make Sure You
Run them - Min Death Benefit
Maximum Cash**

**Please Get With Your Manager to
Explain**

***You will Need Winflex Illustration
Software to Run these With MOO**

IUL AND RELATED TERMINOLOGY AND RESOURCES TO LEARN AND STUDY

IUL & Related Terminology

IUL - What does it stand for?

Indexed

- The cash value in the account will grow LINKED (not invested in) an index, such as the S&P 500. When the market goes up, your cash value goes up. When the market tanks, the floor, discussed later, protects your cash value.

Universal

- FLEXIBLE. Not locked in stone. If we need to make any changes to the contributions, to the death benefit, in a month or a year, we can

Life

- Self explanatory. Life insurance. In real estate, if you have a mortgage, that's not a loan against your house, but a loan against your INCOME. With life insurance, the death benefit is going to be the collateral. So if someone takes out a loan and they get hit by the bus the next day, the loan will be subtracted from the DB.

Uninterrupted Compound Interest

Fancy marketing term. Sounds sexy. But if it wasn't for this, the IUL wouldn't be that great. This is similar to a cash-out refinance on a house. When you take a loan against your house, your house is still valued and growing off the entire amount

MEC - Modified Endowment Contract

Once a policy becomes a MEC, it cannot be undone. If you create a MEC, in normal people talk, you pretty much blew up your tax advantage status of a life insurance contract. Now, even when you take loans out, the gains will be reported as taxable income. And in some instances, you'll even have a penalty before the age of 60. Some people MAY want to MEC a policy because they just really like the benefits of the downside protection with upside potential.

When in an illustration, you will see a "MEC Premium." That is the most that a client can put in, in a given year, before turning their policy into a MEC. And they typically can't accidentally MEC it, they would have to sign off on a document saying they understand what they're doing to their policy.

The higher the Death Benefit, the higher the MEC. This isn't necessarily a good thing unless someone really wants to DUMP money into the policy the first couple years. If the MEC is way too high, that means their Death Benefit will most likely eat out of their cash value, and not be good for the policy

Minimum Death Benefit, Maximum Cash Value

This is ALWAYS how you want to structure a policy for MAXIMUM cash growth. Typically, when people want insurance, they say "Hey I want 1M in coverage, what's the CHEAPEST you can get it for me?" This is OPPOSITE. This is pretty much, this is saying "Hey IRS, I want to put in 1k/m, what's the LITTLEST amount of insurance I need for this to still be considered an insurance contract? Within this strategy, you can then use a Level Death Benefit, and Increasing Death Benefit, or an Increasing to Level Death Benefit, discussed more below

Higher DB = Lower Cash Value

IUL AND RELATED TERMINOLOGY AND RESOURCES TO LEARN AND STUDY

Level Death Benefit vs Increasing Death Benefit vs Increasing to Level DB

Level Death Benefit (Option A)

- This is still “Min DB Max CV” but will have a slightly higher Death Benefit out of the gate than an increasing. This will be good for people who:
 - Want to fund it for <10 years
 - Are 55+
 - Want to put in, say \$500/m, but DUMP some extra money in from time to time. Since this will have more DB than an Increasing DB, the MEC will be higher, and allow you to throw in more money

Increasing DB (Option B)

- This is the conventional way to max fund an IUL. The death benefit will start WAY small, and increase every year. Each year, you’re getting very close to MEC-ing the policy, but never actually happens. In this scenario, the cost of insurance is way lower out of the gate, so it would typically help you grow the money better. BUT, in most scenarios, the MEC is very low so you can’t just dump extra money in w/o redesigning the policy.
- If a client starts putting in ~1-2k+, I will typically look at an increasing as my preferred option. Because when they start funding it this much, the MEC limit is typically a bit higher and they still have room to dump in more money.
- This CAN be dangerous if a client forgets to change their DB to Level. Why? Because then you’re telling the DB to go up when it doesn’t need to be. Thus, making our cost of insurance more expensive which will eat into your cash value.

Increasing to Level

- This is how my personal IUL is set up. When I stop funding it, I will change the strategy to a level strategy to do everything I can to prevent the death benefit from going up when it doesn’t need to be

Crediting Strategies: Participation Rate, Floor, Cap

These are the three most important terms when it comes to “how does my money grow?” We all love the S&P 500, but withinside an IUL, it may not be the best option. Keep in mind, your money is never actually invested in the markets. These are solely how the insurance companies credit your account.

Participation Rate

- What percentage of the gains will I see? For example, if the crediting strategy we’re working with went up 10%, and the PAR Rate was 120%, my cash value account would get credited 12%

Floor

- How LOW can my money go? Inside an IUL, the floor will typically be 0%. This is one of the best features of an IUL. That means when the markets tank, your account will not go belly up. BUT, there still will be some “loss” in the form of your cost of insurance. So let’s say you have 100k in cash value, and the markets tank. If you’re cost of insurance was 2k, you’d now have 98k in your cash value.
- In most cases, when companies have a higher floor, the Cap Rate will usually be lower. More guarantees = less growth

IUL AND RELATED TERMINOLOGY AND RESOURCES TO LEARN AND STUDY

Cap

- How HIGH can my money go? Here's where sometimes the S&P 500 indexing strategies don't make sense. The S&P can be a great strategy when it comes to investing, but lots of times inside an IUL, the CAP Rate will be ~9-10%. So if the S&P 500 went up 30%, your account would only get credited that 9-10%.
- National Life Group, by default, links the indexing strategy to the US Pacesetter. This strategy does NOT have a cap.

Accumulated Value

This is like the VALUE of your house. Even when you take out loans, the accumulated value still grows off the entire amount.

Surrender Value

This is like the EQUITY in your house. How much of the value do we have access to? THIS IS YOUR ACCESSIBLE CASH. When you take out a loan, your surrender value will decrease.

Net Death Benefit

This is the Death Benefit, minus any outstanding loans. If you illustrate someone taking out a loan, here's where you will notice the death benefit decreases. That's because the death benefit is the collateral.

Loans vs Withdraws

There are 2 ways to take out money from an insurance contract: 1) Loan, or 2) Withdraw

- 1) I ALWAYS recommend loans as a loan is tax free
- 2) When you take out a withdraw, you're 100% taking money OUT of your contract. A portion of this would be considered taxable income

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