

## ***Working Orphans***

From time to time I get annual reports and service assignments for clients and their writing agent is not longer active with the company. Some of these agents are not in the business any more.

I would contact these people and arrange an appointment to “review their plan”. When you get there sit down with them at the kitchen table and go through their policy. When you call for the appointment, tell them to have their policy ready.

Using our Client Profile and Cash Needs sheet develop the need for additional insurance first. After you do that the solution is to roll the cash from the old policy into a new plan and with a little more premium you can help them reach their needs. If you try to just replace or compare to their existing face amount, you will probably not be successful. Many of these are written at minimum premium and will lapse in the future.

### **Surety Life policies**

Their first series of universal life was the ULI, ULII, and ULIII. The UI was the original version of UL before the IRS guidelines were confirmed. Has high target and may be ok. The UII is like Shenandoah’s Altis II. Many of these were sold by agents that were part timers and they sold them at minimum premium. The majority are in jeopardy and will lapse in the near future. UIII was the next version and had high target. Then they came out with the 2000 and 3000 series. These again were of similar chassis.

Surety Life was merged into Lincoln Benefit, which is part of Allstate. The policies will probably be fine, but I am very concerned that many are not properly funded.

### **Life of Virginia (now GE Life and Annuity)**

Most of the universal life plans we sold with them should be ok. However, if you can “improve their position” we should do it. Some of these may be in jeopardy due to increased costs and reduced interest rates. They started with the Turbo Charger or Charger series and evolved into the LVPlus series.

Another alternative is to order in force illustrations for these clients from the company. You can get the customer to call their 800 number and order an illustration of future values at current rates. Surety 800.669.7789 and GE 800.628.2238

This will take about two to three weeks to get the info, so you will have to be patient. But, it could lead to a nice sale. Remember if you roll over cash from old policies it basically annualizes the target premium to you.

Caution: On roll overs you have to submit the minimum premium to put the new policy in force immediately. But, the old policy is in force until the money is transferred. You will have double coverage on some people for a short period of time. Be sure to include the proper 1035 forms and replacement forms. We need the old policies to do 1035.

Your goal is to make them a client by selling something they need. Ultimately roll their existing plan into a new plan that you can monitor for the long run for them.