

The Quarterly Pulse

GPAgency's Producer Update

Adapting to Change and Embracing 2021

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change." *Charles Darwin*, 1809.

There is no denying the *breadth of loss* this past year was significant, be it loved ones, physical or mental health, income, freedom to socialize and travel, and so on. Despite the sadness and challenges, it also has been a time for many to reflect, re-prioritize, and reset; engage in self-improvement; or learn a new skill or trade. These are the actions that enable us to adapt and move forward even stronger.

For the insurance industry, the events of 2020 — including the COVID-19 pandemic, the SECURE Act, and a new administration in the White House and Democratic control of Congress — have set the stage for another unique year ahead. We're here to provide solutions and help you grow your business, even during these interesting times.

Your Professional Development

We have been working hard to schedule online CE courses, ideally without cost, for all our agents, not just for those who can attend our onsite programs. We continue to conduct sales and product training programs onsite and online (webinars). These programs are announced in our regular email communications and are posted on the home page of our website where you can review and register. *Get registered now!*

Holiday Closures

Monday, May 31st

Monday, July 5th



Sales Idea

Buy-Sell Agreements

Buy-Sell Agreements should be reviewed at least every five years, or sooner if there have been changes to the business. Due to the current market volatility during COVID, businesses are taking a closer look at their net worth. Now is an excellent time to have a conversation with your business clients to ensure the price is fair to both the buyer and the seller and the owners are protected from other buy-sell triggers.

We have several insurers that will provide a free business valuation.



Make it easy for your prospects to get a quote for term insurance in under 10 minutes with your own personal URL.

See inside for details!



GPAgency, a full-service insurance brokerage
(800) 283-8376 | www.gpagency.com

MAY is Disability Insurance Awareness Month



Why Income Matters



Home



Health



Food



Clothes



Utilities



Vehicle



Insurance



Education



Retirement

May is Disability Insurance Awareness Month (DIAM). In a year when a global pandemic has changed the fabric of life as we know it, the term “Reality Check” is more relevant now than ever. Life can change quickly, and an illness or injury could take away your client's ability to earn a living and provide for their family. Protect your client's paycheck with disability insurance!

Additionally, based on industry research, the number of individuals requesting this coverage may increase. Why? Since 2001, the number of full-time “gig workers,” aka self-employed/contract workers has been growing and has increased significantly this past year. As such, these workers are no longer covered under an employer's group DI plan and insurance companies are beginning to target these individuals. *Shouldn't you?*

In 1990, there were 400 DI carriers; today, there are only a dozen — GPAgency represents all but one (that one sells through captive agents).



USPS mail delivery has been slower than usual due to the pandemic and inclement weather, impacting outbound mail to clients (i.e. premium notices) and inbound mail (i.e. payments) to the insurance companies.

Most companies are making allowances: extending their grace period without penalty, sending out invoices earlier, verifying postmark dates, etc. We suggest you inform your clients of these delays. Encourage them to review their payment history, visit the insurance company website for its policy regarding mail delays, contact the insurance company's customer service if a deadline is approaching, or pay their premium online or by phone.

Section 7702 Changes in COVID Relief Legislation

Signed into law on December 27, 2020, a change was made to Section 7702 of the Internal Revenue Code. This change outlined several requirements permanent life insurance policies must meet in order to qualify as a life insurance contract for tax purposes. Given the ultra-low interest rate environment, the change assists the life insurance industry by replacing the statutory interest rate assumptions (from 1984) from a previously hard-coded 4% rate to a floating rate. These changes will impact the limits associated with both the definition of life insurance and modified endowment contracts.

\$ Reminder \$

We're still offering **Advance Comp on NEW Term and UL policies sold through Protective AND Legal & General.** For these carriers, appointments are “just in time,” meaning if you are not appointed with them, they will appoint you at the time a case is submitted.



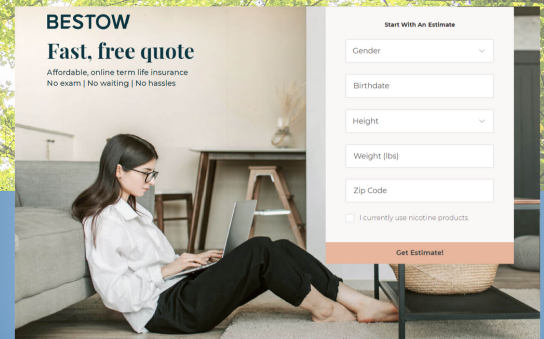
Useful Selling Tips from Our DI Guy

Our resident DI Guru and GPA partner, Chris Carrigan, CLTC, recently conducted a DI webinar – here are a few highlights from that webinar:

- An important feature of a DI policy is to make sure it is **Non-Cancelable AND Guaranteed Renewable**. This means that the policy cannot be canceled (normally through age 65), premiums will not increase, and benefits will not change as long as premiums are paid. With a **Guaranteed Renewable Only** policy, the insurance company will not cancel the policy (normally through age 65) or change the benefits as long as premiums are paid – *but they can raise premiums*. **Optionally Renewable** policies are rarely seen anymore, these policies were available a few years ago. They can be terminated by the issuing company on the anniversary or premium date.
- Most people need DI protection, but the frequent purchasers are often in specialized occupations, such as physicians, dentists, trial attorneys, etc. For these individuals, it is important for their policy to include the **"Own Occupation"** definition, which defines a disability as the inability to work at one's regular occupation, even if the individual may be able to work in another occupation.
- Chris recommends a **Residual Benefits Rider**, which provides partial benefits if someone can still work despite an illness or injury but in a limited capacity and with a reduction in income. For example, if the individual can only work part-time, a residual benefit will make up for the income loss.
- Lastly, when quoting a DI policy, **start with a simple chassis**, for example, a 90-day waiting period, two-year benefit period, \$1,000 monthly benefit, and only a few riders. From there, you can have a discussion with your client on the cost/increased benefits trade-off.

Chris also will be teaching a **DI CE class on May 18th** (register on our website).

Not getting our emails?
Contact melinda@gpagency.com



Do You Know Bestow?

Quote in seconds. Insured in minutes. It's that easy.

North American's **Term Life Quoting App** has been a big hit this Spring. Appointed agents receive a personalized URL. You promote your link, the Bestow app does the rest: it takes the client's application, provides a quote, and seals the deal.

It's Easy: Apply online within minutes; plus, no medical exams or paperwork.

It's Fast: No need to wait. Clients are underwritten in real-time online. A quote is delivered in seconds. Approved applicants pay with a credit card.

It's Thrifty & Robust: Competitively priced, these plans start from just \$10 a month. Obtain coverage from \$50,000 to \$1.5 million.

Get the ball rolling, contact Christine at licensing@gpagency.com or (800) 283-8376.



(left to right)

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May is

DISABILITY
INCOME
AWARENESS
MONTH

Nearly half (46%)
of all foreclosures
on conventional
mortgages are caused
by a disability

Prudential **SALES** TIP

Often overlooked for buy-sell plans are solo business owners. In the event an owner becomes disabled or passes away, a key employee or relative may have interest in taking over the business. A plan can be drawn up to include life insurance and/or disability income protection.

Prudential has kindly sponsored a series of online CE classes. The final one before summer is June 8th at 11:00 am EST.

New Carrier:

Ameritas 

In 2021, we added **Ameritas** to our carrier list. This mutual company has a competitive portfolio of products: **Life Insurance, Disability Income, and Fixed Annuities**. We also like their unique premium financing product (*Kaizen*). The Ameritas story began in 1887 in Lincoln, Nebraska. Financial ratings: S&P A+ (Strong) and AM Best A (Excellent).

**ACCELERATED
UNDERWRITING?**

Most carriers now offer Accel UW!

These programs feature a shorter app process; policies are often issued in under a week.

Our Carrier Programs Feature:

- Up to \$7.5 million of coverage
- Ages up to 65
- Term and permanent products
- Carriers that offer substandard rates

Contact us to learn more!



The future looks bright at GP Agency