



# MASTERING PRODUCT POSITIONING

## FACT-FINDING & PRODUCT POSITIONING

You got the appointment! Congratulations! Now, you have to meet with the prospect and educate them on the possibilities for Life Insurance. There are more options on the table than ever. Sometimes term insurance may be the answer, while other times a more permanent solution, like Indexed Universal Life or Whole Life is a better option. We recommend **using a fact-finder of your choice (contact us if you need one!)** By completing this step, you can see the bigger financial picture and often, prospects remember key details they may not have shared previously.

Once you have determined that there is a need for life insurance, you can educate prospects on the types of life insurance available to meet their goals. The key component to all life insurance is to provide financial protection for those loved ones left behind should the unexpected happen. Indexed Universal Life insurance is no different—it helps families and even businesses, should a key person die, so the remaining employees may keep working and provide for their families.

## WHAT MAKES INDEXED UNIVERSAL LIFE INSURANCE DIFFERENT?

It offers your clients the opportunity to earn tax-deferred interest on the interest credits linked to the performance of one or more stock market indices.<sup>1</sup> This feature gives your clients the potential for strong cash value accumulation. Plus, it offers downside protection in a poorly performing market because your clients don't participate directly in the stock market and the credited interest rate is never less than zero percent—Guaranteed.

*1 The tax-deferred feature of indexed universal life policy is not necessary for a tax-qualified plan. In such instances, your client should consider whether other features, such as the death benefit and optional riders make the policy appropriate for your client's needs. Before purchasing this policy, your client should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product..*



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## LET'S TALK POSITIONING

One of the trickiest parts of running your own practice is identifying the products and services on which you would like to focus your time and attention; the second trickiest is finding out exactly which prospects and clients will benefit most from a business relationship with you. Product positioning is effectively the act of finding out where your product should be sold, and who it should be sold to.

However, product positioning is not just about finding a place for your product in the market; It's also concerned with finding a place for your product in the lives of your consumers. A set of tires may represent comfort and reliability to a parent driving their kids to school, or they may represent action and adrenaline to a sports car enthusiast. One brand of beer may be the go-to beverage for a barbecue, while another may cater exclusively to connoisseurs. That doesn't mean that your product has to be "all things to all people." Good product positioning is more a demonstration of "a place for everything, and everything in its place".

## WHERE DOES INDEXED UNIVERSAL LIFE FIT?

Let's say through your due diligence, you determine that a prospect has one of the following goals in addition to death benefit protection:

- Long Term Accumulation for Retirement
- Early Access to Cash Value
- Protecting a business in case of unexpected death
- Legacy Building
- Annuity Maximization
- Estate Planning
- 1035 Exchange
- Executive Bonus for business
- Mortgage Protection with Early Payoff
- College Funding

## SHARING THE POWER OF IUL

As prospects discuss their goals, you can educate them on how Indexed Universal Life can benefit them.

1. Protecting what is important with a death benefit that is generally tax-free to beneficiaries.
2. Coverage can be adapted to suit their needs.
3. Building resources for the future with the potential to accumulate cash value tax deferred based on credited indexed interest—without loss to market volatility<sup>1</sup>

*1—Fees and expenses will reduce the cash value.*

4. Flexible options that give your clients and prospects access to available cash value when they want, for what they want. They can use loans or withdrawals to supplement a retirement, college funding strategy or to address other financial needs.<sup>1</sup>
5. Resource to be prepared for an unexpected chronic or terminal illness. Many products offer these additional riders for a cost. Check with the carrier for details on these riders.

Once you determine Indexed Universal Life coverage may be appropriate, and your client is ready for an illustration, contact Underwriters Marketing Service for a quote from a number of top carriers in the IUL space: 800-524-1774

### **ADDITIONAL WAYS TO POSITION YOURSELF IN THE INDEXED UNIVERSAL LIFE SPACE**

1. Ensure you are educated about the products and features in IUL. Underwriters Marketing Service offers regular education via webinars as well as LIVE training.
2. Help people understand that you work in that space.
3. Use Social Media to educate clients about life insurance and the need for it.
4. Use your website to advertise your services.
5. Send pre-approach letters and contact referrals immediately.

For additional marketing support, contact our Life Team at Underwriters Marketing Service or visit [www.CallUMS.com](http://www.CallUMS.com)

*1 - Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income tax to the extent there are earnings in the policy. If any of these features are exercised prior to age 59 1/2 on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.*

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