

# CENCO STREET JOURNAL

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## Special points of interest:

- What Can Cenco Do For You?
- Aviva's New Wellness For Life Program



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## What Can Cenco Do For You?

As a multiple insurer marketing agency, CENCO maintains contracts with a number of top quality insurers and financial product vendors. This is so we can offer you a competitive variety of **life, annuity, disability income, and long term care**. The companies CENCO represents are chosen based on criteria such as:

- ✓ Are the products truly cost competitive and do they have a strong history of performance?
- ✓ Do the products fill the current needs of both agents and consumers?
- ✓ Is the agent's compensation reasonable and/or competitive?
- ✓ Can the insurer provide a high level of service to the agent, the client and the agency?
- ✓ Is the insurer's financial history and condition such that it can be expected to fulfill promises to clients and agents now and into the future?

Each insurer is evaluated for financial strength and stability. Only companies with sound financial track records are selected as primary carriers. Other companies may be used if their products fit a specific market need or agent demand requires their use.

**See the enclosed insert for a list of the carriers that Cenco offers and a contact list. Call us today for a quote! Check us out on our website: [www.cencoinsurance.com](http://www.cencoinsurance.com).**



## Preferred Credits May Help Improve Underwriting Offers

**Imagine this scenario:** A male client, age 45, applies for a \$2 million universal life policy. The medical exam shows his height as 5 feet 10 inches, weight as 175 pounds, blood pressure as 130/80 and cholesterol as 180 with a ratio of 3.5. The client's mother is alive and well at age 70. However, the client's father died of coronary artery disease at age 59, so by the book, we are limited to a Standard NT offer, right? How about if we offer this case at Preferred NT and improve your chance to place this important sale?

Yes, your clients may now qualify for a better underwriting offer from American General due to Preferred Credits, which allow underwriters to improve the offer on cases that would not normally qualify for a better class due to build (too heavy) or family history (death or disease of parent(s) from cardiovascular disease or cancer) if the client has very favorable results in other select class categories.

### Key Factors to Keep in Mind:

- Eligibility: Face amounts greater than \$1 million, ages 18-70.
- Preferred credits allow improvement of one class only - e.g. Standard NT to Preferred NT for universal life/indexed universal life/variable universal life and Standard NT to Standard Plus for term.
- Preferred credits apply to build and family history only.
- To offset unfavorable build or family history (not both), blood pressure, cholesterol and the favorable build or family history will be considered.
- Preferred credits do not apply regarding MVR, avocation/aviation or tobacco use.
- Preferred credits can apply to non-tobacco and tobacco classes.

**Call Cenco today for more information.**

## Meeting the Needs of the Continuing-To-Work Boomers!

In today's environment, more and more people are finding themselves extending their careers beyond age 65. Your client continues to bring home an income to support his family's way of life and to build his retirement nest egg - income that would need to be replaced if anything happened to him.

He bought term life insurance 20 years ago that would take him to retirement at age 65. But, he is still at work and plans to be for some time. So, he needs more coverage. The good news is that he is still healthy enough to get it. With AIG Select-A-Term, he can buy new coverage that can take him up to age 88. Or, if he wants, he can save money and buy coverage for 19 more years to age 85. He can customize the coverage to meet his needs.

Only with AIG Select-A-Term, can clients in their 50s and 60s buy new term life insurance that can take them into their mid-80s, meeting the needs of the continuing-to-work boomers!

**Call Cenco today for a quote.**

## Second Chance Underwriting For DI

It may be scary and disappointing for your customers to face an unprotected future when they are declined for disability income insurance due to their medical history. The Standard, believes your hard-to-place customers deserve a second chance. They are pleased to offer *Second Chance Underwriting*.

Applicants must meet the following criteria to be eligible:

- A period of at least one year from diagnosis must have passed before applicants are eligible to apply.
- The applicant's condition is stable and under good control, with no complications.
- The applicant has complied well, and on a regular basis, in following medical advice, treatment and follow-up with the attending physician.
- The applicant is not self-prescribing medications or treatment and is working full-time, without limitations.

### **Conditions That May Be Considered:**

*Anxiety/Panic Disorders*  
*Crohn's Disease*  
*Depression*  
*Diabetes*  
*Pacemakers*

*Psoriatic Arthritis*  
*Sarcoidosis*  
*Sleep Apnea*  
*Rheumatoid Arthritis*  
*Ulcerative Colitis*

**Call Cenco today for more information**

## Aviva's New Wellness for Life Program

Aviva USA, the world's fifth largest insurance group, announced that it will offer its insurance customers a variety of wellness products and services from Mayo Clinic Health Solutions. These wellness-oriented services are a core feature of Aviva's new Wellness for Life Program that offers life insurance customers incentives and rewards for leading a healthy lifestyle.

Customers in the Wellness for Life Program are eligible for potential savings in their policy's cost of insurance simply by having regular physical examinations by a doctor. Additionally, Wellness for Life customers can increase their potential savings by maintaining their body weight within a range established specifically for them at the time they purchase the policy. The amount of potential savings on their cost of insurance will be based on improvements in life expectancies for all participants in the Wellness for Life program. Any savings will be reflected in rate reductions for the customers that meet one or both wellness criteria.

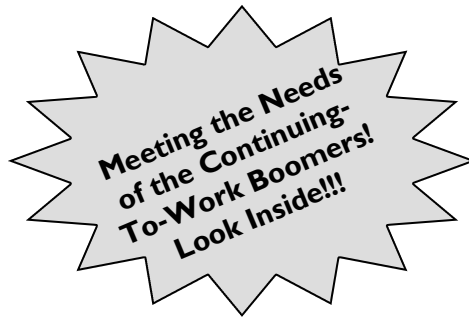
Aviva plans to introduce the Wellness for Life Program to selected customers in the fourth quarter and expand nationally in early 2008, subject to state regulatory approvals. Aviva is also pursuing options to include wellness related benefits and information services to customers of other Aviva products.

**CENCO  
INSURANCE  
MARKETING  
CORPORATION**

1501 El Camino Ave., Suite 1  
Sacramento, CA 95815

Phone: (916) 920-5251  
(800) 45-CENCO  
Fax: (916) 920-8734  
[www.cencoinsurance.com](http://www.cencoinsurance.com)

*HELPING AGENTS  
SUCCEED.....IS  
OUR BUSINESS!*



**November 2002**

**Did You Know?**

Applications and forms for all of our carriers can be found on our website [www.cencoinsurance.com](http://www.cencoinsurance.com) under "Forms".

***The Definitive  
Marketing  
Publication  
For Life &  
Disability  
Insurance***

***Important News ...***

Do you have any clients with old **Kemper** or **Chase** term policies that are reaching the end of their term period, have health issues and need to convert their policy? If so, please be aware that Protective Life Insurance now owns these carriers and if you want to convert these policies, you will need to be appointed with Protective Life on a Limited Producer Contract.

**Call Cenco today for more information and an illustration!**

# WHO TO CALL AT CENCO

Cenco, 1501 El Camino Avenue, Suite 1, Sacramento, CA 95815  
916/920-5251, 800/452-3626  
Fax: 916/920-8734

## FINANCIAL SERVICES (LIFE, ANNUITIES, LONG TERM CARE, DISABILITY AND SECURITIES)

### JOHN PITTMAN - EXT 124

john@cencoinsurance.com

Department Manager

- AIC Securities OSJ Manager
- Marketing/sales support
- Product, case planning
- Recruiting
- Seminars and training meetings

### BOB MAHNKE - EXT 120

bob@cencoinsurance.com

Marketing Advisor - Life, Securities

- Case development
- Product and sales support

### CATHY MARTIN - EXT 121

cathym@cencoinsurance.com

Marketing Assistant

- Proposal and general support
- Product information
- Marketing
- Licensing and contracting
- New business processing

### ELLEN BASSETT - EXT 113

ellen@cencoinsurance.com

Securities Assistant

- AIC processing/correspondence
- AIC licensing

### JOANNE EDWARDS - EXT 112

joanne@cencoinsurance.com

Marketing Representative

- Proposals and general support
- Product information
- Human Resources

### CATHY STEPHENSON - EXT 122

pending@cencoinsurance.com

New Business Assistant

- pending business
- individual health product information

## ACCOUNTING AND TECHNOLOGY

### CAROL ALTMANN - Ext 130

carol@cencoinsurance.com

- Accounts payable/receivable

### CHRIS ALTMANN - Ext 131

chris@cencoinsurance.com

- Webmaster
- Computers, technology

## RECEPTIONIST

### YOLANDA BOWMAN - EXT 100

yolanda@cencoinsurance.com

- Individual medical pending business

# CENCO

Insurance Marketing Corporation

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## CENCO'S LIFE INSURANCE MARKETING ALLIANCE

<u>Top Carriers</u>	<u>Diversified Portfolio</u>	<u>Multiple Answers</u>
<ul style="list-style-type: none"> <li>• AmerUs/Aviva</li> <li>• American General</li> <li>• Genworth</li> <li>• West Coast</li> <li>• Lincoln Financial</li> <li>• North American</li> <li>• Guardian</li> <li>• Banner Life</li> <li>• Assurity</li> <li>• TransAmerica</li> <li>• Union Central</li> <li>• And More!</li> </ul>	<p><b>Term</b> Return of Premium</p> <p><b>Whole Life</b> Traditional Guarantees Final Expense</p> <p><b>Universal Life</b> Top Performance History Age 100/Lifetime Guarantees Single Pay</p> <p><b>Indexed Life</b> Universal Life Fixed Premium Single Pay</p> <p><b>Variable Life</b> Universal Life Single Pay</p> <p><b>Survivorship</b> Universal Life Variable Life</p>	<p><b>Personal Planning</b> Income Replacement Capital Needs Estate Preservation</p> <p><b>Business Planning</b> Key Person Business Continuation Deferred Compensation Executive Bonus 412i 419 Premium Financing</p> <p><b>Estate Planning</b> Tax Replacement Charitable Planning</p>

## CENCO'S DISABILITY INSURANCE MARKETING ALLIANCE

<u>Top Carriers</u>	<u>Multiple Answers</u>
<ul style="list-style-type: none"> <li>• Standard</li> <li>• Principal</li> <li>• Guardian</li> <li>• Assurity</li> <li>• Union Central</li> </ul>	<ul style="list-style-type: none"> <li>• Own Occupation</li> <li>• Income Replacement</li> <li>• Business Overhead Expense</li> <li>• Buy Out Business Protection</li> <li>• Group LTD Wrap</li> <li>• Split Dollar DI</li> <li>• Salary Continuation</li> <li>• Business Owner Carve Out</li> <li>• Simplified Issue</li> </ul>

## CENCO'S LONG TERM CARE INSURANCE MARKETING ALLIANCE

<u>Top Carriers</u>	<u>Multiple Answers</u>
<ul style="list-style-type: none"> <li>• Genworth</li> <li>• John Hancock</li> <li>• Met Life</li> <li>• Prudential</li> <li>• Unum</li> </ul>	<ul style="list-style-type: none"> <li>• Tax Qualified</li> <li>• Non Qualified</li> <li>• California Partnership</li> <li>• Facility Only</li> <li>• Endorsed Group Discount</li> <li>• Executive Carve Out</li> </ul>



# FIELD UPDATES

November 1, 2007

- **NEW RULES FOR MORTGAGE-RELATED TRANSACTIONS**

Due to changing marketing conditions including the changing interest rate environment and softening real estate markets, Aviva has reviewed their guidelines relating to life insurance and annuity sales to be funded by proceeds from a mortgage transaction. As a result of that review the following rules are being implemented:

Effective November 1, 2007, Aviva will not accept any applications for life insurance or annuities that involve funding of such policies through a mortgage-related transaction on a principal resident. This applies to all life insurance and annuity products offered by any Aviva-related company.

- **NEW REQUIREMENTS FOR MULTIPLE OWNERSHIP OF CONTRACTS**

Due to the unique and complicated legal issues that can arise from multiple ownership of an annuity or a life insurance contract, Aviva is implementing new requirements for policies submitted with multiple owners.

Beginning November 1, 2007, multiple ownership of any of Aviva's life insurance and annuity contracts will only be permitted when there are five (5) or less total co-owners. Aviva will also need all prospective co-owners to select a single Designated Owner to act on their behalf and also serve as the contact person for all policy communications. This will be done through the new Request For Co-Ownership And Appointment Of Designated Owner (Form I6283). This one-page form will need to be filled out, signed and submitted with the product application or change of ownership request.

- **NEW AMERUS/AVIVA APPLICATIONS**

AmerUs/Aviva will **no longer accept** the older version of their life application. The new application is Form I4834 2/07 CA.



# FIELD UPDATES

November 1, 2007

- **IRS RULINGS REGARDING 419 PLANS**

On October 17, 2007, the Internal Revenue Service issued guidance on trust arrangements sold to businesses as welfare benefit funds. This guidance was issued in the form of a revenue ruling and two notices.

In Revenue Ruling 2007-65 the IRS addressed whether an employer's deductions for contributions to a welfare benefit fund are "qualified direct costs" under Section 419 of the Internal Revenue Code with respect to premiums paid by a welfare benefit fund on cash value life insurance policies. The Ruling addresses situations where the arrangement is considered a welfare benefit fund but the employer's deduction for its contributions to the fund is denied in whole or in part for premiums paid by the trust attributable to the cash value in the policy.

The Service in Notice 2007-83 identified as listed transactions certain trust arrangements that claim to be welfare benefit funds and utilize cash value life insurance policies. Persons affected by transactions designated as a listed transaction have disclosure obligations and may be subject to penalties. In Notice 2007-84 the IRS alerted taxpayers that the tax treatment of trusts providing post-retirement medical and life insurance benefits to owners and key employees may not provide the tax benefits claimed.

As a result of this guidance, Aviva will no longer accept business being sold into 419 plans.