

# CENCO STREET JOURNAL

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Special points of interest:

Cenco Insurance Marketing Corp. Celebrates 30th Anniversary



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## Cenco Insurance Marketing Corp. Celebrates 30th Anniversary!

How did Cenco get started?

In the summer of 1978, after having been unexpectedly dismissed from his management position with a large reorganizing insurer, Pete Altmann was faced with some hard choices. With a wife, two young boys, a home and expensive cars and no money in the bank, he had to decide whether to get a job or see if he could create something on his own. Not wishing to be in a position where he could get fired again, he decided to start a life and health agency that would attract quality independent oriented agents who could appreciate superior products, contracts and support.

To get started Pete needed working capital and tried to get loans, but no bank would help him. To raise money, he sold his new Porsche and took the cash value from his three large life insurance policies to start Cenco.

The only office space he could afford was to sublease the back rooms of a failing accountant's office. These first offices had no air conditioning (comfy in August), 6'6" ceilings, worn orange and yellow shag carpet and the only windows opened to a yard where dogs barked all day.

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## 2008 Aviva Webcast Corner

Each month, you will find inside the Journal, a list of the Aviva Agent Webcasts. Learn about the latest additions to Aviva's product portfolio, understanding indexed UL basics, indexed strategies, and more.

Webcast archives can be accessed by going on the Aviva website, [www.amerus.com/portal](http://www.amerus.com/portal), going to *Marketing, Training* and then *Webcast Archives*. These webcasts are informative and incredibly convenient and can be accessed at any time from your desktop. Topics on Advanced Markets, Marketing, Product, Professional Growth, Software and Sales Tools are available.

**Call Cenco at 800/452-3626 for More Information**

## Transition from 1980 CSO to 2001 CSO Products



By State insurance law and federal income tax rulings, no insurance company can issue a life insurance contract based on the 1980 Commissioner's Standard Ordinary (CSO) Table after December 31, 2008. Therefore, Aviva will be discontinuing 1980 CSO products and updating certain other products to the 2001 CSO Table.

Effective December 31, 2008, Aviva is discontinuing the following 1980 CSO products:

- Vision Builder
- Liberty Builder
- Independent Choices
- Professional Choices
- **Lifetime Builder\***
- **Patriot Solution\***

\* Aviva is updating Lifetime Builder and Patriot Solution to the 2001 CSO Table and they will be referred to as Lifetime Builder II and Patriot Solution II when they are launched in early November.

*For Agent Use Only. Not intended to solicit sales from the public.*

## Simplified DI - Helping You Sell More

Principal Life Insurance Company offers Simplified DI, a streamlined program designed to help you meet client's disability needs faster and easier. Simply complete the application, obtain appropriate signatures and call to schedule a TeleApp interview. Principal will provide 48-hour turnaround once the completed application and TeleApp interview are received. No blood, urine, exams, EKGs, APSs or financials are required.

### SINGLE LIFE CASES

- |  |  |
|--|--|
| • Up to \$3,000 Maximum Monthly Benefit                    | • Available Discounts                  |
| • Maximum Issue Age of 50                                  | - MNSA - 10% to Age 65 Benefit Period  |
| • All Occupation Classes                                   | - MNSA - 5% 2 or 5-year Benefit Period |
| • Available Elimination Periods - 60, 90, 180 and 365 days | - Select Occupation - 10%              |
| • Sex Distinct Rates                                       |  |

**Call Cenco Today for a Quote - 800/452-3656**

*For Agent Use Only. Not intended to solicit sales from the public.*

## Long Term Care - Protection for Life

What's the easiest way for your client to blow through a lifetime of savings? Spend some time in a nursing home or receive round-the-clock care in their home. Anyone who has seen their parents or elderly relatives go through the experience knows just how financially devastating it can be.

The average cost of one year in a nursing home is now \$77,000. And that's in today's dollars. By the time today's 55-year-old turns 80 (when he or she is more likely to need care), the annual price could top \$260,000.

Long term care insurance can shield your client's savings from these potential costs. But until recently the premiums were very high - as much as \$5,000 per year for a 55-year-old who bought a fully loaded policy. And the older your client is when they buy, the higher the premium.

There are several ways to lower the cost of insurance while still getting valuable coverage. Your client can select a shorter benefit period, buy a shared-benefit policy with their spouse, take advantage of group discounts at work or get help from their state government. Plus, some major insurers are now offering slimmed-down versions of their standard policies, to target baby-boomers who want to protect their retirement savings from devastating long term care costs but who don't want to pay big premiums for expensive coverage they may never need.

Cenco offers a line of long term care carriers to help you provide affordable LTC coverage for your clients. Call our support team for more information at 916/920-5251 or 800/452-3626.

### How Cenco Got Started (Continued)

Needless to say, getting business was difficult. Fortunately the better agents from the prior insurer recognized that Pete knew what he was doing and had gotten a bad deal, so they offered to come and place all of their business with the new agency.

Cenco's early days were no picnic. One day when money was about to run out, two things happened that may have saved Cenco from going under. First, Pete made a large unexpected insurance sale with a monthly commission expected, however the insurer mistakenly annualized the commission. That same day, one of the agents made a very large annual premium life sale. The revenue from these two sales may have saved Cenco.

The name Cenco means the "CENTral COmpany" from which to obtain quality insurance products and services.

Since opening in 1978, Cenco has grown to a full scale marketing company having assisted over 1,800 agents place life and health insurance for well over 30,000 insureds with over 100 insurers.

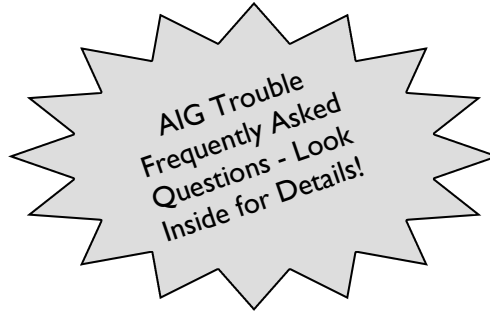
Cenco still has its challenges in today's markets, however the company mission stays the same. *"To be the highest quality insurance and financial planning products firm in the Sacramento Valley and surrounding region."*

**CENCO  
INSURANCE  
MARKETING  
CORPORATION**

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



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**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 "Life, Disability, Annuities, LTC", "Forms".

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

**Important News ...**

Principal DI has become more competitive in the California marketplace. You can now offer disability insurance to doctors and dentists up to age 60 for individuals and age 64 for multi life cases. The issue limits still remain at \$10,000.

# Frequently Asked Questions for Producers

October 3, 2008 9:00 a.m. CDT

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**Q. American International Group, Inc.'s (AIG) CEO announced his plan for the company's future, which includes the sale of the AIG American General insurers. Why did AIG make the decision to sell its domestic life insurance business?**

A. Quite simply, because the domestic life insurance business is valuable. The proceeds from a sale of these assets can be used toward paying off the two-year \$85 billion secured credit facility issued by the Federal Reserve Bank in September 2008 to help AIG with its short-term liquidity needs.

**Q. What does a sale mean for policyholders?**

A. First and foremost, we want to assure you that your clients' policies are safe and secure. The insurance policies written by one of our insurers are the direct obligations of that underwriting company – not AIG or any prospective buyer. The sale of an insurer does not change its obligations to its policyholders.

Our commitment to customer service remains the same, and we continue to strive to exceed your expectations in everything we do. Our customer service centers are available to assist you with questions or policy maintenance issues.

**Q. Will this sale announcement impact producer and customer service?**

A. No. It's business as usual at AIG American General. We remain committed to providing our producers and policy owners with top-quality, professional service.

**Q. Will AIG American General continue to solicit new business?**

A. Of course! We're open for business. Any acquisition of the AIG American General insurers will take time. In the meantime, we remain strong, well capitalized, offer a broad and deep product portfolio, competitive compensation,

and we stand ready to meet the needs of clients with innovative insurance solutions.

**Q. Will any changes be made to AIG American General's product portfolio?**

A. We continually refresh existing products and introduce new products to maintain our competitive position in the marketplace. Our product development work will continue in earnest – in fact, a number of new and refreshed products will be released before the end of this year.

**Q. Is there a new branding strategy?**

A. Branding discussions are taking place and we expect to make an announcement in this regard in the near future.

**Q. What are your current ratings?**

The table below provides ratings of the AIG Domestic Life Insurance Companies as of 09/19/2008. For more detailed information, please visit the individual rating agency Web sites.

**Q. What do ratings mean?**

A. Independent ratings agencies, such as A.M. Best and Standard & Poor's,

provide opinions on an organization's ability to meet its financial obligations to its policyholders, creditors and shareholders. Generally there are two components to ratings – a credit rating and a financial strength rating.

Credit ratings, or long-term debt ratings, are an evaluation by the ratings agencies of the creditworthiness of an organization and its ability to pay its short- and long-term debt. Financial strength ratings are an evaluation by the ratings agencies of an insurer's ability to meet its obligations to its policyholders,

**Q. Can you tell me more about how policies are protected?**

A. Insurance is a highly regulated industry. All insurance companies doing business in the United States are regulated by state law, and required to maintain enough capital and surplus to satisfy their obligations to their policyholders. The type and quantity of investments in which insurance companies may invest surplus capital is also limited by state law. Although various companies owned by AIG are part of a larger insurance holding company system – including AIG American General insurers – each company is individually responsible for the liabilities associated with the

**Domestic Life Insurance Companies' Financial Strength Ratings** *as of September 19, 2008*

Agency	Rating	Descriptor	Definition
<b>Standard &amp; Poor's<sup>1</sup></b>	<b>A+</b>	Strong	"An insurer rated 'A' has STRONG financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings."
<b>Moody's Investors Service<sup>2</sup></b>	<b>Aa3</b>	Excellent	"Insurance companies rated Aa offer EXCELLENT financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies."
<b>Fitch Ratings<sup>3</sup></b>	<b>AA-</b>	Very Strong	"Denote a very low expectation of ceased or interrupted payments. They indicate VERY STRONG capacity to meet policyholder and contract obligations on a timely basis. This capacity is not significantly vulnerable to foreseeable events."
<b>A.M. Best Company<sup>4</sup></b>	<b>A</b>	Excellent	"Assigned to companies that have, in our opinion, an EXCELLENT ability to meet their ongoing insurance obligations."

<sup>1</sup> CreditWatch developing, <sup>2</sup> On review for possible further downgrade, <sup>3</sup> Rating watch "evolving"

<sup>4</sup> Under review with negative implications

For more detailed information on specific insurer ratings visit [www.AIGAG.com/ratings](http://www.AIGAG.com/ratings).

business that it sells. In addition, each insurer is individually regulated by its state of domicile for compliance and financial solvency independent of its parent or affiliates. This includes ongoing financial reporting to the regulator and undergoing periodic financial examination.

In accordance with state insurance requirements and investment guidelines, an insurer's general account is primarily invested in high-quality investment grade fixed income securities (bonds). The investment objective of the general account is to optimize yield, adjusting for credit risk, liquidity and liability characteristics.

State insurance regulations are substantial and are designed to preserve and enhance the solvency of the general account and to assure that the contractual obligations

to our policyholders are fulfilled. These regulations, along with the conservative investment requirements, help to safeguard policyholders.

It is important to note that the guarantees related to individual AIG American General insurers life policies and annuity contracts are backed by the general account of the respective issuing companies. These general accounts support only the obligations of AIG American General life insurance companies and are not obligated to support any other AIG businesses.

If you would like to see what the state insurance regulators and the National Association of Insurance Commissioners have to say on this matter, please go to [www.aigag.com](http://www.aigag.com) and click on the main banner for more information.

## **Q. Who are AIG American General's re-insurers?**

A. AIG American General companies utilize many re-insurers. The major companies are Swiss Re, RGA Reinsurance, Transamerica Reinsurance, Munich Re, and Gen Re.

## **Q. Are policies insured under the FDIC?**

A. No. The FDIC insures bank accounts – checking, savings, trust, certificates of deposit (CDs), IRA retirement accounts held at the bank and also money market deposit accounts. All of these bank accounts generally are insured by the FDIC up to the legal limit of \$100,000.

The FDIC does not insure products such as mutual funds, annuities, life insurance policies, stocks and bonds.

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AIG American General, [www.aigag.com](http://www.aigag.com), is the marketing name for the insurance companies and affiliates of American International Group, Inc. (AIG), which comprise AIG's Domestic Life Insurance Operations. Information regarding American International Group, Inc. ("AIG") or AIG American General presented in this brochure is for informational purposes only and represents combined statistical information of the member companies of AIG or AIG American General. Neither AIG nor AIG American General underwrites any insurance policy described within this brochure. **The licensed insurance company underwriting the product is solely responsible for its own financial condition and its contractual obligations.**

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# October 2008 Webcasts

## Product Webcasts

### **October 8th - 1:00 P.M. CDT Introducing 2008 Aviva Term!**

Aviva is proud to announce the launch of its 2008 Term Series in approved states. The 2008 Term Series includes a new Annual Renewable Term, plus more competitively priced 10, 20 and 30-year term policies.

### **October 9th - 2:00 P.M. CDT Get the NLG Advantage with Aviva**

Join us for a webcast on Aviva's indexed products featuring the competitive No-Lapse Guarantee Rider. This low target premium plan can help your clients prepare for the future today with choice, flexibility, value and security.

### **October 15th - 1:00 P.M. CDT Understanding Policy Annual Statements**

In this class we will explore the various sections of the policyholder annual statement. We will cover basics of annual statements and dissect both the "Summary of Transactions" and "Policy Segment Activity" sections.

### **October 16th - 2:00 P.M. CDT Lifetime IUL Series**

Join us for a webcast on the latest addition to our industry-leading indexed life portfolio. With the highest target premiums and cap rates in our IUL lineup, the Lifetime IUL Series is definitely worth a look!

### **October 21st - 2:00 P.M. CDT New Annuity Products & Strategies**

Annuities play a very important role in retirement planning, enabling you to save money and taxes while eliminating the fear that you will outlive your savings. If you would like to know more about annuities or have a refresher, this is the webcast for you.

### **October 22nd - 11:00 A.M. CDT Understanding Aviva's Indexed Strategies**

In this class we will discuss the interest crediting strategies found in our Indexed UL policies. From the simplistic One-Year Point-to-Point, to the more complex One-Year Multi Index, we will explore the design of each strategy and how your clients can use them to enhance their cash values.



## October 2008 Webcasts

**October 28th - 1:00 P.M. CDT**

### **Understanding MEC & Guideline**

In this class we will discuss the basics of Modified Endowment Contracts (MEC) and Guideline Premiums and how they can help maximize the funding potential in your life illustration.

**October 29th - 10:00 A.M. CDT**

### **Understanding Policy Loans (Variable and Fixed Interest)**

We will discuss the unique features of each type of variable and fixed-rate loans on how to choose the best option.

**October 30th - 11:00 A.M. CDT**

### **Getting to Know the TeleApp Program**

The TeleApp program provides a simplified way to sell life insurance. You do the selling - we take care of all the rest, including all medical requirements. In this class learn how Aviva's TeleApp can provide you a more convenient way of completing the life insurance application process and free you up for more sales.

## **Wellness Webcasts**

**October 6th - 2:00 P.M. CDT**

**October 27th - 10:00 A.M. CDT**

### **Wellness for Life Program**

**Learn about this unique rider that's designed to help you realize the benefits of living a healthy lifestyle.** Now, when you purchase life insurance through Aviva, you can add the rider and elect to take advantage of services from Mayo Clinic Health Solutions that **may help maintain or improve your health!**

**Also learn about Wellness with Guarantees! (Wellness V2)**

## **Software Webcasts**

**October 1st - 12:00 P.M. CDT**

### **Distribution Planning - QPDA & AS**

Presented by Trip Higginbotham from Impact Technologies. Learn about this special feature of our new Advanced Markets software program! Case Study materials will be used to aid in discussion.



# October 2008 Webcasts

**October 1st - 12:00 P.M. CDT**

**October 21st - 10:00 A.M. CDT**

## **Aviva's E-Application Feature of LPSS**

Aviva USA is proud to introduce E-App, an exciting new addition to our comprehensive illustration system, Life Portraits Sales Solutions. Join us for a webcast and learn how to take advantage of the E-Application feature and begin to submit your business more efficiently.

**October 6th - 2:00 P.M. CDT**

## **Detailed Analysis - ETA & WDA**

Presented by Trip Higginbotham from Impact Technologies. Learn about this special feature of our new Advanced Markets software program! Case Study materials will be used to aid in discussion.

**October 14th - 2:00 P.M. CDT**

## **Life Portraits Sales Solutions - Case Study Design**

You've used LPSS and know the basics but want to take it to the next level. Join us for a discussion on how to use Life Portraits Sales Solutions in various case design scenarios. From product illustrations reflecting maximum funding with future distributions, to competitive illustrations showing varying death benefit structures, this class will provide great hands-on training by exemplifying these various case design options.

## **Advanced Markets**

### **Sales Idea of the Month**

### **UI Rescue**

**October 9th - 12:00 P.M. CDT**

**October 14th - 10:00 A.M. CDT**

**October 20th - 2:00 P.M. CDT**

**October 29th - 4:00 P.M. CDT**

Does your client have a poorly performing policy? Have crediting rates got them down? Are they disappointed and tired of the market volatility when trying to plan their life insurance needs? Tune into this month's Advanced Marketing WebEx to learn how Aviva can help solve this problem.