

S&V's Tip of the Month

October 2002

You may already be aware that Maritime Life is withdrawing their unique selling feature, that is, their T10 Premium Refund Rider on Critical Needs insurance. This feature offers a 100% refund of premiums on a Term 10 rate Critical Needs policy at the tenth anniversary without having to cancel the policy.

Maritime Life's reinsurers for Critical Needs feel this rider is underpriced and can no longer be supported. Maritime Life's actuaries cannot price it low enough to make it feasible for you to market.

Many advisors have been using this feature successfully when promoting the sale of Critical Needs. There is a small window left for you to achieve similar success with this feature before it is gone. Why not advise your clients about this opportunity now - perhaps that will be the catalyst for them to make their decision to proceed with Critical Needs insurance. You would be doing them a service letting them know about this valuable feature before it is too late while protecting their financial health.

We have available a sample client letter to try and make it easier for you to contact your clients, in both pdf and Word formats in the event you wish to personalize it.

We also have available the Maritime Life bulletin referring to this change that outlines the transition process. To summarize, Maritime is offering the T10 PRR at regular FYC rates (20%) for any applications received in their Head Office no later than November 22, 2002. (would need in S&V office no later than November 18th). Any applications received between November 22, 2002 and January 2003 would pay a modified FYC on the T10 PRR of 5%. The T10 Premium Refund Rider will not be available after January 2003, exact final submission date to be announced.