

*These situations most often arise when dealing with fully underwritten (med) policies.*

When a carrier rates a case and conditionally issues the policy, they will typically send you a notice and ask you to reply to offer within 10 days. You should always respond immediately and instruct the carrier to issue the policy as offered. DO NOT call the client to explain the offer! Simply call your client once you receive the policy, and let them know the good news. "Great news, I just received your policy and you are approved for coverage. I will come by this week to drop it off and go over it with you; it will be about a 15 minute get together. How's Wednesday for you? Say 8:15 or so?" Go on to set the appointment and DO NOT discuss the policy.

The following scenario is 30 year term policy/30 year guaranty with ROP. \$250,000 face value rated 4 tables. The quoted monthly premium goes from \$110 to \$220 per month. You will meet with the client and show them the increased rate and explain why it has gone up. There are a series of steps you take in the following order.

1. Tell the client, "It's all money back, so really all you're doing is saving an extra \$110 a month for the future. Besides, I'll always be your agent and we can request a rate reduction each year on or about the policy anniversary date. But remember, even if your condition were to worsen, this rate can never go up."

*If #1 doesn't work, "shift gears" to #2.*

2. Drop the face value to \$150K, and show how this amount, even though lower than the \$250K desired, still provides excellent mortgage protection. (Critical Period Concept or pay down the balance to \$100K and refinance)

*If #2 doesn't work, go to #3.*

3. Drop from 30/30, \$150K ROP to 30/10, \$150K ROP (if the carrier has this product available.) This will get the premium easily back to the original \$110 a month payment if not less. Remember to tell your client, "If the rating improves, we can always increase the face amount back up to the original \$250K if you want."

\*\*Remember that when you did your "conservation piece" before you left the client's home after writing the application, you left them after having gotten a commitment for a \$110/month premium. This commitment was for the concept of mortgage protection. If you made the initial sale a "concept" sale, then going back and placing a rated case should not be a problem with one of the three options above.

