

INDEX MARKETING GROUP

#1 Marketer of Indexed Life and Annuities

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"HEARD IT ON THE STREET"

Introducing...

Indexed Survivor Universal Life

Another cutting-edge product from the Indexed Life Leader

For 20 consecutive quarters, we have led the industry in indexed life sales. Now, AmerUs Life is proud to launch an exciting addition to our broad portfolio of indexed products: Indexed Survivor Universal Life.

- **Competitive no-lapse guaranteed premiums (with our NLG Rider)**
- **Great potential for cash value accumulation**
- **Outstanding limited premium payment options**

AMERUS LIFE is one of only three carriers to offer a second-to-die policy with the benefits of indexed crediting. American General was the first but their policy does not offer a no-lapse guarantee (NLG) which is considered essential for most survivorship applications. Allianz introduced GenDex Survivorship in February and does offer a NLG. Comparisons indicate that in most cases Amerus's NLG premiums are significantly lower than those of Allianz.

(Discontinuation of ULtimate Survivor- With the introduction of the Indexed Survivor Universal Life (ISUL) policy, AmerUs Life will discontinue sales of ULtimate Survivor)

The following states have approved the new product :

Alabama, Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Iowa, Idaho, Indian, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, Washington, Wisconsin, West Virginia, Wyoming .

Industry News

First quarter 2006 individual life insurance sales rose 15 percent in new annualized premiums over the first quarter of 2005, according to LIMRA International. The strongest increases were in universal life and variable universal life products, where annual premiums were up 26 percent and 15 percent, respectively.

U.S. fixed annuities sales reached \$17.3 billion in the first quarter of 2006, 4 percent below the total for the comparable period in 2005, according to the latest Beacon Research Fixed Annuity Premium Study. First-quarter indexed annuity sales were \$7.2 billion, up almost 8 percent from the prior quarter and up 13.1 percent from the first quarter of 2005.

Senators who oppose estate tax repeal succeeded at keeping the issue off the floor. Supporters of the bill, H.R. 8, needed 60 votes to invoke cloture, or protect the bill from a filibuster by limiting debate on the bill, but the final vote was 57-41. Senate Majority Leader Bill Frist (R-Tenn.), an advocate of full repeal, vowed to bring the issue to a vote sometime this year, and there has been discussion about including estate tax reform measures into a pending pension reform bill.

Marketing News

A survey conducted by HSBC Bank USA showed that wealthier Americans are keeping more assets in cash. The survey of 472 individuals with up to \$1 million of investable assets revealed that 34 percent have at least 20 percent of those assets in cash. Financial Research Corp. reported that money market funds had \$39 billion in net cash inflow for May, up from \$24 billion for May 2005.

MetLife Mature Market Institute reports 55 percent of grandparents contribute financially to their grandchildren's education. Of this group, 35 percent plan to provide a total of \$50,000 or more over their lifetimes for the education of all their grandchildren, according to the MetLife Grandparents Poll, conducted by Zogby International. On a per-year basis, 22 percent expect to contribute up to \$2,000, while 14 percent will provide between \$2,000 and \$5,000, and 11 percent will give between \$5,000 and \$20,000.

Predictions of inheritance windfalls for baby boomers are overstated significantly, a new AARP study suggests. As of 2004, 81 percent of boomers had yet to receive an inheritance, AARP's analysis of Federal Reserve data shows. The group found just 15 percent of boomers expected to receive an inheritance in the future. Boomers who had received inheritances by 2004 received a median of only \$49,000, adjusted to 2005 dollars.

SELLING TIPS - 10 *Other* Ways to Sell ISUL

Too often, agents and consumers see survivor life insurance policies only as an estate-planning tool. Political talk of estate tax repeal could complicate the sales process.

But there are many other uses for a survivor policy. While the payment of estate taxes is one of the primary reasons, people also purchase survivor policies to protect their estate against risks that only arise after the death of two people. As you sell the ISUL, think about whether any of your clients could use a policy for one or more of the following reasons:

- **Preserve their heirs' inheritance:** The policy can cover the costs of state inheritance taxes, income taxes, property taxes, probate costs, medical expenses, funeral expenses,

mortgages, debts, and legal fees, all of which can significantly reduce the value of an inheritance.

- **Avoid Liquidation:** At the time of death, your clients may have assets too difficult to divide, business problems that need attention before transfer, costs arising from litigation and other estate-transfer expenses. Paying these bills often requires liquidating assets, meaning the sale of stock, real estate, even a family business. A survivor policy can provide the needed liquidity.
- **Charitable gifts:** To replace the amount given to a charitable organization in order to provide heirs with the full value of the estate.
- **Leveraging the Generation-Skipping Tax:** Wealthy clients who wish to leave property to grandchildren can make gifts to an irrevocable trust funded with life insurance on the clients.
- **Paying for education:** The premature deaths of parents could result in the loss of college funding. A survivor policy can ensure that money is available.
- **Key person coverage:** To hire qualified people or maintain the value of a business after the deaths of two partners or key employees.
- **Buy/Sell agreements:** When used in conjunction with a buy/sell agreement, the policy proceeds can be used to allow stock to pass to children who are actively running the business, while at the same time equalizing the inheritance left to other heirs.
- **Lifetime support:** To provide lifetime financial support to a special needs child who may outlive the parents.
- **Policy Split Option:** You can give your clients protection against estate taxes, plus the option of converting their one policy into two individual universal life policies should the federal estate tax no longer be an issue.
- **Insuring the uninsurable:** Because the policy covers two lives, coverage is often available even if one of the insured individuals would be unable to obtain a single policy due to health reasons.

INDEXED INCOME ANNUITY PRODUCTS INTRODUCED

" AmerUs Annuity Group launched the Income Series suite of Index Annuity products on June 30. There are variations between the American Investors and AmerUs Life base products, but both include 5, 7, 10 year terms along with a 10-year term bonus product. This new series offers multiple index strategies, including a new participation rate based crediting method. The big news is--**AmerUs is the first top ten index annuity carrier to offer a GMWB/Income for Life rider!** This groundbreaking benefit offers clients guaranteed accumulation, flexibility to start-stop-adjust withdrawals, and **guarantees income for life** if the client so chooses. Only one other index annuity carrier has launched this type of benefit, and we have heard other companies are in development. From what we know thus far, the **AMERUS** rider is by far the most robust and beneficial to the client in terms of value and flexibility. Even better-this rider will be available for sale in conjunction with other products currently in the Amerus portfolio, giving an opportunity to fill the great need for guaranteed retirement income in the marketplace.