

LIFE INSURANCE MADE SIMPLE

5/24/2018

BIA

Boone Insurance Associates Education Guide: New

About Boone Insurance Associates

- Boone Insurance Associates provides health and life insurance products to clients all over Oregon.
- We work directly with the companies to resolve any of your claim, benefit, & premium questions.
- Unlike a captive insurance producer who represents that insurance company alone, we are independent of a specific insurance company and represent a variety of different companies and products.
- Boone Insurance Associates provides this educational program today to help inform you. There is no obligation for you to purchase services from us.

“Our pledge is to provide our clients with superior customer service and product knowledge in order to guide them in making the most informed decisions.”

How Much to Buy?

- Many people decide based on an income replacement calculation, between 5 and 10 times the amount of your current income.
- Think about your personal circumstances: Is yours the sole income in your household? Are there other expenses, such as college tuition, that may arise in the future? Don't forget to include potential medical and funeral costs. Above everything, you want to be sure your family does not get stuck with bills, debts or expenses that they cannot afford.

Terminology

- **Death Benefit** - The limit of insurance or the amount of benefit that will be paid in the event of the death of a covered person.
- **Guaranteed Renewable** - A policy provision in many products which guarantees the policy owner the right to renew coverage at every policy anniversary date. The company does not have the right to cancel coverage except for nonpayment of premiums by the policy owner; however, the company can raise rates if they choose.
- **Term Life** - Life insurance that provides protection for a specified period of time. Common policy periods are one year, five years, 10 years or until the insured reaches age 65 or 70. The policy doesn't build up any of the no forfeiture values associated with whole life policies
- **Whole Life**- You purchase this policy to cover your entire life, as long as you keep paying premiums. Premiums remain constant throughout the policy, and the company invests a portion of your premium that becomes the cash value. These are more expensive than term policies in the early years, but they even out because the premium does not increase.
- **Universal Life**: This policy is similar to whole life, but has the potential for higher earnings on the savings component. It is more flexible in terms of changing premiums and face value throughout the policy. There is usually a guaranteed return on the cash value. Disadvantages include higher fees and the possibility of increasing premiums.
- **Variable Life**: A variable life policy generally has fixed premiums, and you have control over the investment decisions for the cash value portion. However, this is riskier because there is not guarantee for the cash value.

The Life Insurance Process

- The following are some of the steps you will experience while applying for Life Insurance coverage:
 - Complete the life insurance application.
 - A Conditional Receipt may be offered.
 - BIA will order an Insurance Exam on your behalf. A Port-a-Medic (examiner) will contact you within 5 days of the application to coordinate the exam. You are the customer, so schedule the exam at your convenience preferably in the morning for best results.
- Completing the Insurance Exam
 - Usually takes around 30 minutes.
 - Duplicate questioning is common and normal.
 - Expect to relate Family History (even if they asked the question on the application).
 - They will be checking Blood/Urine/Height/Weight/Blood Pressure and in some cases have you perform a stress test or EKG.
 - Know your Doctor's names / addresses /phone numbers and date of last visits.
 - Refrain from caffeine, nicotine, non-necessary medications; including aspirin, acetaminophen, and ibuprofen.
 - Fasting for 8-12 hours prior to exam is highly recommended.
 - Avoid Heavy Exercise for a day or two prior to the exam.
 - No alcoholic beverages for at least a day or two prior to the exam.

The Life Insurance Process: Next Steps

- Your application and insurance exam results are sent to the insurance company.
- An Underwriter reviews the submission and determines what additional information is needed if any.
- The Underwriter will check the MIB (Medical Insurance Bureau). A nationwide database of medical information.
- The underwriter may order your medical records and an Attending Physician's Statement (APS) from your doctor. This may be time consuming depending on the doctor's office response time to the request. This is an area that can cause a delay depending on the doctor's office response time to the request. We may need your help with prompting the Doctor's office to release the information quicker.
- The insurance company may order a Motor Vehicle Report to determine if past driving experience will impact the underwriting decision.
- Assuming everything goes smoothly this entire process can take 45-90 days depending on your specific situation. If you have had some history of medical challenges then this process may take longer.
- An offer of Life Insurance is made and may differ from the original illustration. BIA will contact you with the offer and together we will move to the next step.
- Life Policy is Issued. We will deliver the policy for your review and acceptance. You will sign the delivery receipt and pay the issued premium.
- Life Policy is now in force.