

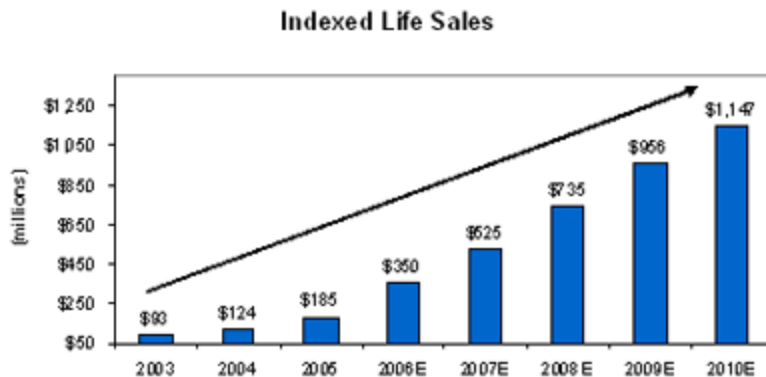
Index life: Today and beyond

By John V. Scheer

Indexed Life Sales Up Ninety-One Percent. That was the title of a news release that hit the presses in March 2006. The release goes on to explain that there are now 20 carriers offering indexed life products (65 percent more than just a year ago). Industry experts expect similar growth throughout 2006 and beyond — in both premiums and the number of products being offered.

Now, a year later we know the numbers — Indexed life sales are up more than 85 percent in 2007!

Indexed universal life (IUL) has been one of the fastest growing products in the history of life insurance. Last year the life insurance industry saw total IUL sales approach the 350 million mark. Currently there are approximately 25 carriers that have entered the IUL market, with additional carriers expected to emerge in 2007. In fact, industry experts project that IUL sales are positioned to grow to a billion-dollar industry over the next three to five years.



This is a huge step as it seems life insurance companies finally understand what Jason Konopik, CFO AMZ Financial Services, LLC, has been saying for years — there is no better opportunity in the industry than indexed life!

The first generation of IUL products has fueled growth over the past three to four years. The second generation of IUL products is entering the market in the 2nd quarter of this year. These second generation IUL's are poised to be one of the major catalysts of expected future sales in the coming years, making IUL one of the fastest growing segments ever in the insurance industry.

Some of the features that the second generation products will have in 2007 are enhanced income options, new and improved living benefits, more flexible agent options to tailor the product to the end consumer, up to 3 percent minimum guarantees, 16 percent rate caps, six or more index strategies, higher target premiums and other unique features embedded in the product. Jason Konopik, CFO of AMZ financial, says "...this new generation of IUL products will help propel IUL sales to the billion dollar mark." It is just a matter of time until indexed life surpasses VUL in sales and becomes the primary vehicle to use for accumulation/income generation.

While more choice leads to more opportunity, it also places the onus on the agent to ensure he or she can dissect the market, find the best product and sell it appropriately to clients. In addition to developing indexed products, AMZ has spent a significant amount of time dissecting the products available to find their strengths and weaknesses in order to determine which products fit different sales concepts, and to determine which products will most likely perform as expected in the long-term.

When we review products, there are four main areas that are focused on: 1) projected product performance, 2) unique features/product niches, 3) product integrity, and 4) compensation.

I'm sure many of you are asking, "How can I get the knowledge needed to determine the best company/product to use with my client?" Well, the answer is very simple — not very easily.

The best advice I give to agents is:

- Don't always take the insurance company's word for it. •
- Don't do it by yourself.

There are several very reputable organizations that provide you the training you need in order to take full advantage of the indexed life marketplace.

If you haven't sold indexed life yet, now is the time to get on board. If not, the train may just pass you by! But if you have sold indexed life in the past and continue to sell last year's product, you are missing out on some amazing new products your competition is now using against you.