



**Diversified  
Marketing  
Group, Inc.**



**DMG Annual Meeting, October 2018**

Back row, left to right: Phil Goodman, Andy Kalinowski, Robert Rosenthal, Jim Buchanan, Jeff Weiss, Ryan Hogan, Barney Tanner, Kenny Chen.

Middle row, left to right: Karen Nalley, Marjorie Gelbwaks Schaefer, Sean Giroux, R. Neil Sperling, Diana Weiss, Gary Victorson, Tim Hatzinger.

Front row, left to right: Phil Panarella, Sr., Leo Corsetti.

# **DMG ANNUAL MEETING SYNOPSIS**

**Lago Mar Resort, October 19 – 21, 2018**

The meeting started Thursday, October 18, 2018 with a Welcoming Cocktail Party at 7:00 pm. Most of the members and sponsors attended this party for an enjoyable evening of networking.

Attendees include: Andrew (Karen) Kalinowski, Gary Victorson, James Buchanan, Karen (Bill and Kristen Burke) Nalley, R. Neil Sperling, Phil Goodman, Philip Panarella Sr, Robert (Maria Delmar) Rosenthal, Ryan (Melissa Adolph) Hogan, Kenny Chen, Marjorie Gelbwaks Schaefer, Barney (Jennifer) Tanner, Tim (Linda) Hatzinger, Jeffrey (Diana) Weiss, Leo Corsetti, Sean Giroux, A.C. Jetter, Linda (Bob) Wolonick, Stephanie (Scott) Owens.

Friday, October 19, 2018 the day was kicked off with breakfast and the meetings started at 8:00 am with a welcome from our President Andy Kalinowski – “What’s in it for you?” The financial report was provided by Jim Buchanan. The Executive Director, Stephanie Owens covered updates over the past year including email campaigns, webinars and website updates. Linda Wolonick, Executive Secretary, discussed the success of doing direct deposits, stock transfer of Joe Smollen to Emeritus has been completed and commissions are paid current.

Floor was open for nominations for Treasurer’s and Board of Director’s position; Jim Buchanan and Karen Nalley expressed interest to continue their positions if no other interested party. Elections took place with these officers being voted onto the board for the next two years:

- Jim Buchanan elected to Treasurer
- Karen Nalley elected to Board of Directors

**SALES DEVELOPMENT: Toby Kominek from Life Secure** presented the LifeSecure portfolio. LifeSecure is currently available in 46 states. LifeSecure is wholly-owned by Blue Cross of Michigan. All products, except for LTC, can be sold individually or through the worksite; policies are fully portable. LTC, Accident, CI and Hospital recovery products available for individual and worksite.

Why offer ancillary products? Sell solutions instead of products, one stop shopping, products can be sold year-round, multiple products, increased commission. Applications are “signed state” – must be licensed in the state the product is sold.

Accident Insurance: Very diverse in underwriting. FYC for this product is around 40-45% with renewals around 5-6%. Override around 50-55%; production requirement \$250k+ for highest comp. Issues ages 18-74; minimum benefit \$2500 and max benefit \$15,000. Hospital plan – daily amounts \$100-900, each individual has own bank of benefits each year. Optional riders, ER & Ambulance, Major Diagnostic Exam, Rehabilitation Facility. Four underwriting questions on the e-app.

Critical Illness: In about 36 states now, issue ages 18-70, simplified issue, short application process, benefits range from \$5000 to \$50,000 (in \$5k increments). Spouse benefits are the same as the primary policy holder, if adding the spouse on as a rider. ROP upon death embedded in the policy, reoccurrence benefit also embedded into the policy. Competitive hot points: Unlimited lifetime maximum, health screening benefit as a standard feature, dependent children automatically covered at a \$2500 benefit amount, skin cancer included, no benefit reductions at higher attained ages and ROP upon death of policy owner. This is classic LTC reimbursement, 90-day waiting period as of day date of diagnosis, 0 day wait period for stroke, 10% discount if spouse applies, option benefit rider: compound inflation benefit (1%, 3% or 5%).

LTC: launched in Oct 2018 – benefit amounts \$50k, \$100k, \$200k and \$300k - Many marketing materials available online. E-apps are preferred method of submission, but paper app can be accepted. Toby will help the DMG members with recruitment and will do webinars for the agencies.

**Group discussion:** Member question: Does E&O cover this policy – yes but may require an endorsement on policy, check with your E&O carrier. Ryan Hogan said that he has been working with this and can assist in any questions. About 4 members are currently selling these products. It is suggested that only do the business online and the policies could be issued within two business days; the online site is very easy to use. LifeSecure is not in NY. DMG members who have contracts include Ryan Hogan and Art Jetter – if you are doing the LTC, go to Ryan because of higher comp.

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**SALES DEVELOPMENT: Lori Boggs and Todd Shield from Peterson International**

Peterson International Underwriter is Cover holder of Lloyds of London – they never want to say “NO”. The company is based out of Valencia, California. This is a managing general underwriter, similar to a managing general agent, they sell products through BGAs and producers. Lloyds goes back to 1688 and entered in the life insurance market in 1871 when they were able to offer only temporary coverage. Known for high income/net worth. Offer high limit DI, automatic issue. Group policies: Guaranteed standard issue, simple processing, quick issue, steady business and great commission. Stock option income – publicly traded companies, last 3-year average, up to 5 times lump sum.

Some occupations that PIU could consider: Entertainers, Non-US Employees, Athletes, Offshore Oil Workers, Chiropractor, Maritime Employees, Tattoo Artists, Pilots.

Specialty market (avocation, occupation, situation) – if its excluded or declined, PIU can include it!

Graded benefit: max age 64, up to \$20k per month, own occupation, 5-year benefit period. 80% - 65% - 50% level benefit.

Business DI: Key Person, Buy Sell, BOE, Loan Indemnification, Contract Guarantee, Severance.

Other great programs:

- Failure to survive – no exams/medical record, business policy (may have exclusions, but able to make an offer), this is one-year term, build for short-term, simple one-page app and annual increase of 3-4%. This program is insurance based the contract between business partners, minimum benefit is around \$25k, private equity space is a target market, this is a great policy for collateral assignments. Total comp is 25% comp – street comp is 10-15%, DMG can select the level.
- International medical insurance – PPO network, US away program, International – for the travel plans, must have CA license to solicit this program
- Large Accidental Death and Dismemberment – starts at \$100k
- The Bridge Plan (Medicare Part A and/or B) – used for ages 63-64 before they turn 65 years old or for nationals coming to USA
- Kidnap/Ransom – private military overseas and missionaries are most common – must have P&C license to solicit this product

This is covered under regular E&O coverage policy.

**Group discussion:** Barney Tanner has used the failure to survive program for collateral assignment. If agent is doing business with PUI already, can simply transfer agent under your brokerage with an email to PIU. PIU also only has 3 levels so the agents will not be in competition with BGA contract (25%, 15% and 10%). No chargeback

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**SALES DEVELOPMENT: Sean Giroux from IMS Life Settlements**

70/30 split – there is no defined street level, they are a BGA and know the products - conversion – E&O not required. Works with about 20 buyers and some of the buyers are

unique to IMS. Average case agent commission is \$2900, \$40,00 is average BGA annual commission. Been in settlement industry for over 15 years and over 50 years of combined experience – they are uniquely positioned as a BGA.

Life Settlement benefits to clients: Provides Policy Owner with immediate Cash, Eliminates the Costs (Premiums) of an unneeded unaffordable Life Insurance policy, Proceeds from a Life Settlement can be used for anything the client wishes (while they are living) and “Free Paid-Up Insurance” w/ Retained DB Retained Death Benefit – the client keeps a portion of the policy and sells the remainder of the policy to a buyer.

Minimum agent 70, minimum face amount \$100k, policy types: convertible term, UL, SUL, IUL, WL and VUL. Policy must be in force over 24 months or longer, life expectancy 12-200 months.

Policy Specific when buyers are looking for policies: Face Amount - (Larger the better), Premiums - (Lower the better), Type of Policy - (GUL, UL, IUL – varies per buyer), Policy Loans - (Decreases Value), Cash Value - (Increases Value), Carrier Ratings – (Higher the better).

Buyer Specific: Life Expectancy Analysis (Client Specific) - Single most Important Factor - Shorter the better, Anticipated ROI - (Lower the Better, ranges from 14-16%), Cost of Capital - (Lower the Better, undisclosed and varies), Premium Reserves – (Fluctuates per buyer, More the Better).

IMS does all the work for you: Pre-price every case, Order & Pay for all required APS(s) Order & Pay for multiple LEs on every file, obtain current policy values from carrier, Order In-force Illustrations and run in-house premium optimization projections, Shop the market for the best offer(s), Send out weekly statuses & updates, negotiate offers via an auction process for largest possible offers!

IMS has satisfaction guarantee – they will do all the work and if you are unhappy, they will release everything to you if unsatisfied.

IMS has propriety pricing model, created with an industry leading actuary, uses experience and data from thousands of cases, constantly updating model, pricing for all policy types.

Pre-App Valuation Report- Provided with all cases ran through our pricing model, no commitment required, provides accurate policy valuation BEFORE agent & client spend time & energy..., Provide range or pricing based on possible IRR and Mortality Assumptions.

Retained Death Benefit: Best of both worlds’ scenario... Client keeps some coverage, No longer need to pay any premium – Free Insurance! In some cases, the client also gets cash upfront! Great conversation starter, often more acceptable to other parties involved – family members (beneficiaries), advisors, etc. The Buyer becomes the Full Owner but only. Partial Beneficiary of the policy. The Buyer assumes 100% of the Premium obligation

The Insured/Policy Owner still Retains a specified amount of the death benefit Irrevocable Beneficiary Designation filed with the Carrier. In some cases, the Buyer still pays a Cash settlement upfront

Prospecting opportunities: Book of Business, End of Guarantee & Conversion Periods,

Surrender Requests & Replacements, Declined Cases (Conversions), Death Claims – Spouses, LTC & Assisted Living Facilities, Centers of Influence, Attorneys, CPA(s), Estate Planners, Wealth Managers.

**Group discussion:**

If you have any surrender requests, you may want to check out this option. This would be a good option to try over Welcome Funds. You don't need to get license until approved case, the licensing is very quick.

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**SALES DEVELOPMENT: Nicholas Lines from Protective Life**

Protection focused company, specialized in term, \$865 billion life insurance inforce, 8.3 million contracts and policies – 56 acquisitions overall, been around for over 110 years, was acquired 3 years ago by a japan company, Dai-ichi Life.

Custom Choice UL, Advantage Choice UL, Indexed Choice IUL are main products  
Look beyond the spreadsheet to see where you can add additional value – give them the presentation then provide them the spreadsheet.

IUL Target client – conservative, play-it-safe, worried about loss, interested in high yields – but want downside protection. Annual P 2 P, Standards and Poor's

Sweet spot for IUL is between ages 90-100

ExtendCare Rider (living benefits rider) – not available in CA, chronic illness rider – indemnity, access to 100% death benefit, inability of 2 of 6 ADL – no policy expense while on claim, no premiums on claim, charges resume if recovery occurs prior to 25 consecutive months of chronic illness. Look at this option as a living benefit

TeleLife EZ-App – simplify the application process, they have a robust system and they own the entire process –TeleLife app is submitted in “real-time”, the client can complete the online app once the TeleLife app is completed – can view access of pending cases online, agent's don't need to be pre-appointed to do TeleLife apps

[www.SellWhatMatters.com](http://www.SellWhatMatters.com) – co-branded materials in pdf format that is agent and consumer approved – this can be added to your website, you do not need to be licensed to use this co-branded material

**Group discussion:**

They have a good niche on pilots. The IUL at SNT or SNT Table 2, for ages around 50. The agent will be paid twice with adding the rider because of rolling target. The 10-year product is very competitive for age around 78. The Protective product outperforms

other products at 0% - if you miss a premium on GUL, your policy won't die, you will have options. The COI that has been done are not as significant as other carriers. To get contract with Protective, several members have contracts available, Protective are stringent on offering BGA direct contracts – IMS offers 113% or the direct for 120% - Barney said that he can offer 124% to DMG members, they are his second largest carrier

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**SALES DEVELOPMENT: Andy Terry from Ameritas** presented their portfolio. Ameritas is a mutual company out of Nebraska, strong mid-west company.

FLX products, only licensed with a couple IMOs - The living benefit can be up to 90% of the client's available death benefit with a maximum benefit of \$1.5 million. The rider is automatically included on all policies issued with a rate class of Table D or better. There are 18 living benefit triggers.

Policies with face amounts of \$300,000 or less are available on a simplified issue basis for people ages 60 or less. This means no medical underwriting. These policies can be issued from Preferred to rapid standard rate class for mildly substandard risks, rated Table A – D.

Ameritas FLX Living Benefits Term offers 10, 15, 20, 25 and 30-year terms.

The same payor discount reduces policy fees by one half. In most states, we also offer an employee/producer discount and an association discount. Employee and association discounts are NOT available in CA and FL.

The producer or employee discount reduces premiums by 4% - this can be utilized by DMG Members!

Terminal illness is defined as the presence of an illness or condition where life expectancy does not exceed 12 months.

Make sure that you are using the current situation code when submitting business -- Situation-codes/Profile # are a 2-digit extension to the agent-number:

Current vendor is ExamOne but looking to add another provider.

Ameritas FLX Living Benefits Index UL:

Competitive Advantages - 5 Point-to-Point Index Options, Proprietary Volatility

Managed Index: BNP Paribas Momentum Multi-Asset 5 Index participation rate up to 170% on 1 year and 205% participation rate on the 2-year point to point, uncapped.

Account Value Bonus: 0.50% current 0.25% guaranteed.

FLX Index UL offers a premium deposit account, which gives your clients the flexibility they need to put a larger amount of money into their policy at one time and earn a competitive interest rate. They can then transfer money into their choices of index options gradually.

In the event of a terminal illness, defined as the presence of an illness or condition where life expectancy does not exceed 12 months, the policy owner can receive up to 75% of the policy death benefit up paid as a one-time payment. The maximum benefit is \$1 million.

If the insured is certified with a chronic illness, the policy owner can receive up to 50% of death benefit with a maximum of \$1 million. Paid in annual payments up to HIPAA limits.

Getting better every day, working out the kinks in the system.

[www.ameritas.com/flxiu](http://www.ameritas.com/flxiu) - public website - Facebook Group – The Independent Space by IDC – 800-390-2361 Eric's term. 7-10 days is processing time for DI, Ameritas contacting seems to be backed up and runs into duplicate signatures from producers and clients.

**Group discussion:** Shawn Davis was designer of this system and he is no longer with Ameritas; Bob Jurgensmeier is now in his place. The Rank system is for non-NY and DI business, otherwise need to use the Expense Allowance company – commission is 135% on 20, 25 and 30-year term. Ameritas is a great deal and has great potential, but several members are having issues in licensing. This is one of the best contracts that DMG has and about 6 members are currently using the product. Andy Kalinowski said this is one of the best American contracts and he is very satisfied with Ameritas. They have a guaranteed DI product and is unique in the industry. Barney Tanner offered Bart Spencer in his offer – Bart is the “DI Nut”. Focus 10, white collar only, is neat product.

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**SALES DEVELOPMENT: Eleanor Johnson from John Hancock**

Background of 25 years in the industry; was in the field for years, tailored to high end producer, producer groups. She is a life insurance professional that works with clients of



financial advisors or other center of influences and assists in setting the stage for the client and advisor to have a productive planning conversation. Eleanor will be discussing her “three bucket” level setting approach that she uses as part of every first client meeting and again when a new advisor or center of influence is added to the financial advisor’s team. This simple, yet highly effective conversation takes the acronyms out of the planning discussion and allows the Insurance Professional to quickly gather information about the client and his/her priorities so that the focus is on recommendations most appropriate to their needs. In almost every case, greater needs are uncovered than first anticipated and the client ends up driving the sale forward. Equally important, - the client will remember why they are implementing the planning strategy not only during the process, but years from now.

This common dialogue that motivates the clients to incorporate life insurance into their planning while revealing assets and future sales opportunities is level setting conversations – Having “The Conversation” BEFORE the Conversation. Bucket 1. Fact finding, Bucket 2. Uncover opportunities, Bucket 3. Client engagement

The three buckets: Consumption, Contingency, Custodial – get more information  
Bucket one: never going to use it in your lifetime – funding current lifestyle  
Bucket two: the RISK bucket - even in the worst case, everything that can go wrong  
Bucket three: If anything left over, it goes in this bucket

Life Happens App on your phone – great app for cell phones, or tablets

**Group discussion:**

Everyone was impressed with the presentation about the buckets and the strategy to discuss filling the first buckets. This is a strategy that the members will and will contact Eleanor with any questions or assistance.

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Saturday, October 21 began with breakfast with the meeting started at 8:15.

**DMG Member Success Stories**

A.C. Jetter discussed how his agency encrypts emails. They use IronPort from Cisco. They are charged per employee account, cost is around \$4000 for system and additional agreements. CLS – no cost, just need to enable – used in conjunction with IronPort, no software.

Jim Buchanan pointed out that we had 5 presenters yesterday and be sure that you are using their products, add their information to your website, such as Peterson International. He uses “Robo underwriting” – the questions from the simplified applications on a sheet and give this to his agents to complete the information that his assistance inputs the information in on the e-app, a very on-hands on process

Neil Sperling talked about bringing texting into the business. He uses texting to communicate with agents. Adobe Scan is a great tool to scan in files on the phone. Scanner Pro and Office Lens are other apps that will scan documents.

Mutual of Omaha was the Thursday cocktail sponsor.

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InsMark was the Friday lunch sponsor, disbursed information packets to members, no one really use, it is available from the carrier directly – the cost is a high for a few members. Members are using SmartOffice, Redtail

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**General Meeting / DMG Shareholder Discussion**

Why to do business with DMG?

- DMG should have priority software – Advisor HQ
- Group contract for technology that members can use
- Must come to the meeting to meet the people in the group
- This group allows you to keep your independence – there is a comradery
- Top compensation – don’t have production requirements
- This group is smaller and personalized – no competition among members, helping each other to succeed

Identity Theft – LifeLock or Legal Shield or Kroll – can DMG get a direct deal to offer to the members? Stephanie Owens will check into this

Create new member intro packet – Sean Giroux, Ryan Hogan and Tim Hatzinger will be on committee with the board members

IMG – ask them to present next meeting – Robert Rosenthal asked if he has his contract under – they are not available in Florida

DMG Meeting dates for next year Oct 24 – 26, 2019 at Lago Mar Resort

What’s working for your agency webinars for DMG members – we could try doing monthly or quarterly – Ryan Hogan would like to see this again, he will do first presentation

Discussed making a new requirement in the bylaws to require new member to annual DMG meeting – the group was in agreeance and the board will create the wording then share with the membership.

Karen Nalley discussed her E&O coverage and found the LifeSecure is backed by BCBS – the E&O coverage will cover any company with B+ rating or better

### **What’s working in your agency**

Tim Hatzinger – started talking about LTC and chronic illness riders – this has generated LTC, Moneyguard and Life sales. Home Life contract for simplified issued, which is a great contract.

Andy Kalinowski – started promoting hybrid product, specific Nationwide LTC – best product out there and it leads to other sales. This is their heart LTC product. Forrest Equity Services is in the process of closing their doors and they have picked up about 125 new agents, he expects to see about 200 new reps from this business closure, FINRA limits growth in a year, and they are exceeding the growth of Registered Reps, now is a good opportunity for you to recruit the Forrest reps. Fiduciary responsibility in NY is changing.

Barney Tanner – been working with more P&C agents and going after larger agencies and offer them a lunch meeting; training P&C to call the agency if they hear key words (buy-sell, keyman, premium finance and ect). This has been a good resource in getting new business – building relationships. Barney has a a cheat sheet of questions that his P&C agents ask clients that he will share with the group – this just starts the conversation and gets Barney involved in a sale. United Life has a graded policy. Uses Western and Southern contract as guaranteed issue that starts at age 5 and goes up to age 80. Uses this carrier when recruiting. Gerber is another carrier that is used for

guaranteed issue. They use FEX quoting for GI and SI products. Transamerica has a Trans Family Market and no phone interview is required. Call Barney if you need help on final expense.

Robert Rosenthal – talking to brokers who have been declined for LTC – he talks to the broker about chronic riders and seeing a great success in providing coverage.

Ryan Hogan – was very focused on LTC for years and this year has broadened the other products. Cross-selling has generated new sales and been very successful. Deeping LTC sales by including Medicaid planning and life settlements. Found that many of agents didn't know

Broadtower - Ron Hagglemen has been focusing on new LTC product. There is no contract with DMG

Respectfully submitted by,  
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*DMG 2019 Conference at Lago Mar Resort  
Thursday, October 24 – Saturday, October 26*  
**2018 DMG Annual Meeting**

