



AGENT GUIDE

American National Insurance Company

GUARANTEED MEMORIES®

Grandparents know they will not always be there for their grandchildren. However, being able to provide a guaranteed memory can be important to the grandparent and their grandchildren.

The guarantee of having the money available to provide a grandchild a guaranteed birthday memory is secured by a whole life insurance policy issued by the American National Insurance Company, Galveston, Texas.

Each year, following the death of the insured grandparent, grandchildren, named as beneficiaries, will receive a birthday card along with a check. The check amount is paid by the guaranteed interest earned on the policy's death benefit. At the grandchild's 55th birthday, there will be a lump sum distribution to the grandchild and no further annual payments will be made.

FREQUENTLY ASKED QUESTIONS

Q: What happens if the policy owner stops paying the premiums?

A: If the death benefit of a reduced paid up policy is sufficient to generate enough interest earnings to provide an annual check in the amount of at least \$100 to each grandchild, the birthday cards and annual checks will be sent. Otherwise, the death benefit will be paid in a lump sum to the named beneficiaries.

Q: May a card and check be from both grandparents if only one of them is insured?

A: Yes. The cards will be sent following the death of the insured grandparent.

Q: What happens if the loved one pre-deceases the grandparent?

A: The insured grandparent owns a whole life insurance policy and has all the ownership rights, including the right to change the beneficiaries and the settlement options.

Q: What is the minimum policy issue?

A: \$10,000 of whole life insurance using the AFFINITY 7 life insurance product from ANICO.

Q: May one minimum face amount policy be used to provide a gift for more than one grandchild?

A: Yes. However, the face amount must be sufficient to fund a minimum annual check amount of at least \$100 for each beneficiary.

An example or two may be helpful:

(1) At 2.5% guaranteed interest, the minimum face amount, \$12,000, will generate \$300 a year in guaranteed interest. If there were three grandchildren, they could each receive \$100 a year. The amount will be chosen by the grandparent at time of application. Any amount not distributed will be accumulated and paid at the grandchild's 55th birthday.

The premium for a 65 year-old female who qualifies for \$12,000 standard issue (preferred is not available) the annual premium would be \$683.16. So a premium of \$227.72 per grandchild would provide that grandchild with an annual birthday gift of \$100 each until they are age 55.

(2) If there were five grandchildren, the amount calculates to be \$60 per grandchild (\$300 divided by 5) an amount less than the \$100 minimum check requirement. Therefore, an increased amount of insurance would be required which, in this case, is \$20,000 ($\$20,000 \times .025 = \500).

Q: What are the underwriting requirements?

A: Underwriting will classify risks through table 4 as standard risks. Ages 18-70 are non-medical for face amounts up to \$49,999. Ages 71 to 75 are non-medical up to \$25,000. Ages 76-85 require a paramedical exam and an HOS. A blood specimen is not required. The maximum issue age is 85.

Q: When is the principal amount of the death benefit paid?

A: Annual birthday payments will be made until each beneficiary/grandchild reaches age 55 at which time the beneficiary's proportional share of the death benefit and interest will be distributed in a lump sum. Because of the date of death, date of each beneficiary's birthday, date of first and last payment and interest earnings based on those dates the total amount paid to each beneficiary over time will vary slightly.

Q: Who should the beneficiary be on the application?

A: The grandchildren, their dates of birth, social security numbers and address will need to be included in the application. NOTE: The Application for Modification form (form 1048-ED3) MUST accompany the application. The applications, premium checks payable to American National and all related documents are to be sent to:

**Benefit Program Services, Inc
2444 Morris Avenue
Union, NJ 07083**

Q: When is the first birthday check and card due the beneficiary?

A: The first birthday card and check will be paid on the first birthday of a beneficiary that occurs at least twelve months following the insured's death. Therefore, if the insured died on June 15, and there were two beneficiaries whose birthdays were August 15 and November 15 the first birthday card and check would be paid to the beneficiary having the August 15th birthday approximately 14 months after the insured's death.

Q: As these are participating policies, are there any special instructions?

A. Yes. The only dividend option is paid up additions.

Q: Is there a special application?

A: Yes. There is a special, short form application — American National form #3899 or the appropriate state specific form and an application for modification containing beneficiary and settlement option language form 1048-ED3.

Q: How do I obtain supplies?

A: Supplies can be downloaded from www.bpsinc-online.com.

SALES OPPORTUNITIES

Guaranteed Memories® can provide the opportunity for seminars, you can extend the offer to potential and existing clients through phone solicitations, direct mail (postcards, letters, pre-approach mailers), and it can also open the door to annuity sales, IRA and 401(k) rollovers and maybe even Long-Term Care Insurance. This can be a great prospecting opportunity. Grandparents will want to tell other Grandparents about this exciting opportunity to create guaranteed memories for their Grandchildren.

When writing postcards, pre-approach letters, holding seminars or just in conversation, direct your client's attention to the following website: guaranteedmemories.com.

This web site is designed to answer the majority of your client's questions, thus helping you close the sale.

This information is intended for life insurance agents and may not be shared or in any way provided to agents who are not licensed life insurance agents.

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