

Term Conversion

AGENT GUIDE

Before you have a conversation with your term clients about converting to a permanent policy, use this guide to help you:

Identify opportunities and benefits for your clients if they choose to convert from a term to a permanent policy

Understand common objections you may hear and how to move the conversation forward

Understand the value of National Life permanent products

FIVE Reasons to Convert a Term Policy to a Permanent Policy:

Reason #1: To match coverage with rising income

- Your client bought the protection he/she could afford at the time
- Now the client can afford more, and their protection need isn't temporary

Reason #2: Protection from the unexpected (live too long, die too soon, or become ill or disabled)

- NLG permanent policies offer Accelerated Benefits Riders¹
- Protection in life and in death

Reason #3: Permanent protection without new underwriting or medical exam

- The client is older and may have had changes in health
- The client doesn't need additional underwriting

Reason #4: To build and keep assets

- Cash value grows tax-deferred to potentially provide supplemental retirement income through loans and withdrawals²
- 0% floor helps protect indexed strategies if index declines³

Reason #5: To provide more stability

- Permanent coverage to protect all the events in life: a bigger house, a new or expanding business, a growing family, more savings and other assets
- Permanent insurance is designed to have level premiums and offers more guarantees, more benefits, for the rest of their lives⁴

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No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

Overcoming Common Objections:

Most of the objections you will hear when discussing a term conversion can be summarized into four categories: no hurry, no worry, no time, no money. In reality, these might not be the actual objections they have, but it may be easier for your clients to say “I can’t afford it” than “I don’t understand it.”

Emotions aside, think of their objections as your best friend, because they help you to find out what is going on in their mind, and how you can help them move forward with a solution.

Keep in Mind:

- 1. The more questions you ask, and the more you listen, the more you will understand their needs and are able to address them during the meeting.** Otherwise, their unanswered questions and unmet needs will come up as objections later (or worse, not at all and they won’t be motivated to move forward).
- 2. If a client poses an objection you have heard before, you may be tempted to give the same answer you always have.** Remember that the question may be the same, but the reason behind it may be different. Avoid the temptation to try and “answer” an objection before you ask more questions, so you can better address the underlying need.
- 3. The more you address all of the client’s objections, the more prepared your client will be to move forward.** Don’t be afraid to ask for more objections, because it’s better to get them all on the table. Asking your client “Is there anything else that is preventing you from moving forward?” shows you are a consultant – not just selling to them – and you are willing to understand their needs. Plus, it will build trust to make them comfortable with providing what’s on their mind.

Why National Life?

Our History: We’ve kept our promises to our customers since 1848

Our Benefits: National Life Group policies offer simple solutions for life, whether your clients Die Too Soon, Become Ill or Live Too Long. We do this through optional, no-additional cost Accelerated Benefits Riders that can allow a client to access all or part of the death benefit, while living, if the client experiences a qualifying terminal, chronic, or critical illness, or critical injury.

¹ Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance. Riders are optional, may require additional premium and may not be available in all states or on all products.

² Policy loans and withdrawals reduce the policy’s cash value and death benefit and may result in a taxable event. Surrender charges may reduce the policy’s cash value in early years.

³ Monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges, regardless of interest crediting.

⁴ Assumes all scheduled premiums are paid.