



## Combine and save – one price with different solutions!

Customers are always looking for ways to save money on everything, and their insurance is no exception. You can help them understand how to pick the right products, combine them and save on the whole package.

Using a combination of product solutions to meet their short-term, medium-term and longer-term needs will allow customers to get more for their insurance budget. To do this, ivari offers combined banding and layering discounts on the price of the total coverages, on one life, in one policy.

### Let's talk about combined banding and layering

#### 1. Combined banding

Combined banding is a discount that is given when customers combine all of their term coverages, on one life, in one policy, resulting in the total coverage amount moving to a higher premium band. It's really like a buying in bulk approach to insurance.

Depending on your customer's age and needs, they can purchase a 10-, 20-, 30-year term policy, or a combination of any or all of these. When they combine all of their life coverages on one policy, customers will get a discount for the multiple coverages purchased AND they will pay only one policy fee!

## 2. Layering

Layering is the process of adding one or more term coverages onto a base of universal life (UL) insurance. As customers get older, their need for life insurance will most likely decrease. The debts they were covering with life insurance in their younger years will have changed or decreased as they move through life, such as their mortgage or post-secondary education for their children. Simply put, as customers age, assets typically grow while debts typically decrease.

As well as tailoring to the changing needs of your customers, and providing the discounts of combined banding, layering also offers additional savings on the costs of term riders that customers would pay by combining these coverages with ivari Universal™ Life insurance.

### Down the road

It's important for customers to understand that the discounts they get with combined banding and layering are dependent on how the policy is set up and administered. Changes made to their policy down the road could result in a change to their discount structure. For example, as riders drop off, their coverage may move down to a different premium band. If this happens, the discounts they received at the higher premium band level may no longer be in effect.

**You can help your customers understand what impact, if any, a change to their policy would have to their policy discounts.**

### Here's a real life example of how the combine and save approach can work for your customers

John has a family and needs both short and longer-term insurance coverage. Based on his needs, his advisor recommends \$400,000 of T10, \$400,000 of T20, and \$50,000 of T30. If John buys three separate policies, he would pay premiums based on the premium rate band for each policy. Instead, if he combines the coverages into one policy, he would pay premiums based on the premium rate band for the combined face amount of \$850,000 and save 14%.

	Purchased separately*	Purchased together*
<b>T10 = \$400,000</b>	<b>\$380.16</b>	<b>\$328.32</b>
<b>T20 = \$400,000</b>	<b>\$544.32</b>	<b>\$501.12</b>
<b>T30 = \$50,000</b>	<b>\$191.76</b>	<b>\$130.20</b>
<b>Total = \$850,000</b>	<b>\$1,116.24</b>	<b>\$959.64</b>

### **Savings of \$156 or 14% annually on account of Combined banding**

\*The premiums are for a non-smoker, male, 40 yrs., standard risk. Annualized premiums. Premiums do not include policy fee which will be levied separately on every policy.

In the same example, if John also needs permanent UL coverage, layering can be used, to get both additional coverage and extra savings on his premium as shown below:

	Purchased separately*	Purchased together*
T10 = \$400,000	\$380.16	\$264.00
T20 = \$400,000	\$544.32	\$483.96
T30 = \$50,000	\$191.76	\$129.96
Subtotal = \$850,000	\$1,116.24	\$877.92
LCOI UL = \$25,000	\$311.52	\$216.00
Grand Total = \$875,000	\$1,427.76	\$1,093.92

**Layering gives additional savings of \$82 i.e. \$238 from \$156 on the term coverages. Total savings on the policy is \$333.84 or 23% annually!**

There is a total savings of \$238 by using layering which is an additional savings of \$82 over combined banding. Total savings on the policy is \$333.84 or 23% annually over purchasing each coverage separately.

\*The premiums are for a non-smoker, male, 40 yrs., Standard risk. Annualized premiums. Premiums do not include policy fee which will be levied separately on every policy.



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