



SOCIAL SECURITY PAYMENT OPTION

Frequently Asked Questions

Q: What form am I required to complete to enroll a client in the Social Security Payment Option?

A: Please use the Social Security Benefit Billing Authorization Form, which is located on Agent Net Info (ANI) under the 'Forms' tab. While the form is available via ANI, ANI should not be used to submit the form.

Q: What dates are available for clients to make their benefit payments?

A: For a complete schedule of available benefit payments, please refer to the Schedule of Benefit Payments located on ANI under the 'Forms' tab.

Q: What methods of payment are accepted when using the Social Security Payment Option?

A: Checking, savings or Comerica Direct Express MasterCard are accepted monthly. Quarterly payments are not available; monthly is the only option. For additional questions, please refer to the Social Security Benefit Billing Authorization Form.

Q: How are commissions paid using the Direct Express MasterCard?

A: Commissions are paid as earned on the Direct Express MasterCard.

Q: Are survivor benefit accounts accepted? How do I handle supplying this information?

A: Yes, survivor benefit accounts are accepted. Please indicate the use of a survivor account and the deceased spouse's date of birth on the Supplemental Application (page 6 of the application packet). The authorization form should be completed as normal.

Q: Can you save age if the client's birthdate is going to occur before the first draft date?

A: If the agent wants to save age, they need to send in payment for the first month's premium and complete the Social Security Benefit Billing Authorization Form to set the first draft for the following month.

Q: Can you backdate to save age?

A: We cannot backdate on policies with the Social Security Payment Option.

Q: What is the 10-day rule?

A: The 10-day rule states the social security billing deposit cannot occur within 10 business days of the application date. If it does, the initial draft date must move to the next month. The initial draft month cannot exceed one benefit payment cycle past application date.

Example:

An application date is 1/5/2015, and the social security payment is deposited on 1/14/2015, the second Wednesday of the month. This does not meet the 10-day rule, allowing New Business / Underwriting time to establish a correct EFT disbursement. Therefore, the next available draft date is 2/11/2015 and the initial draft month should be set to February.

Q: What is the need for the 10-day rule?

A: The success of the Social Security Payment Option is based on the timing of presenting our EFT's to the client's accounts. The 10-day rule allows sufficient time to process applications, issue the policy and establish EFT disbursement. For draft dates, we present EFT's two days prior for checking and savings accounts and one day prior for Direct Express MasterCard. The 10-day rule ties to the initial draft month. If you are within the 10 day rule, you must bump out the initial draft month to the next month.

Q: Do we complete the Initial Premium Payment Method Form of the application if using the Social Security Payment Option?

A: No, agents do not need to complete the EFT information. However, they are still required to complete page 2 and include page 2 with the application.

Q: What do we need to complete on the Social Security Benefit Billing Authorization Form?

- A:**
- Select a statutory company at the top left-hand corner of the form
 - **Box A** must be completed in full
 - o Indicate the preferred deposit/withdrawal option
 - o Indicate an initial draft month, taking into account the 10-day rule. If this option is not completed, the application will be in a hold/pending status and endorsed once verified.
 - Complete **Box B** if this is a bank withdrawal.
 - Complete **Box C** if this is a Comerica Direct Express MasterCard
 - Must have 'Birthdate of Insured' and 'Birthdate of Payor' (if different than insured) to validate that correct payment option was selected. If not provided, placement of the policy and commissions could be delayed. If 'Premium amount' is blank on the Social Security Benefit Billing Authorization Form but is listed correctly on the application, proceed as normal (no endorsement/amendment needed).
 - Include the policy number for changes to an inforce policy.



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Q: What needs to be completed on page 2 if I submit the Social Security Benefit Billing Authorization Form?

A: If the client wants social security billing only, they can choose the Automatic Premium Loan option at their discretion and no additional information is required. Please do not complete the billing/account information on both the Social Security Benefit Billing Authorization Form and page 2 of the application, as only one is required. The authorization form should only be submitted when the client wishes to activate the social security billing option.

Q: If I need to make a change to information on the Social Security Benefit Billing Authorization Form, does the client need to resign and date the form?

A: Yes, the only change that can be made on the form without having the client resign and date the form is the initial draft month. All other changes will require this information to be completed again.

Q: What products are available for Social Security Payment Option?

A: The Social Security Payment Option is only available on Final Expense products at this time.

Q: How does this benefit you?

A: The Social Security Payment Option can help increase your persistency and sales opportunities. Premiums are withdrawn to correspond with social security benefit payments. Timing our withdrawal with the deposit of the clients social security benefits will ensure premiums are collected prior to clients withdrawing funds.

Q: How does this benefit the client?

A: Clients can have the peace of mind knowing their premiums will be withdrawn to correspond with their social security benefit payments. We find that clients who rely on social security deposits to cover the cost of their Final Expense policy want the coverage to stay active.

Q: What are the benefits for everyone?

A: We have the ability to withdraw on corresponding social security benefit deposit dates for both checking accounts and the Direct Express MasterCard. We are one of few carriers that have this ability to use this as a mode of payment.