

# Multipolicy discounts and life insurance

## Farmers New World Life Insurance Company

### More coverage, potentially for less

Hypothetical scenario: Female, age 30, non-nicotine, \$250,000, 10-year Farmers Value Term®<sup>1</sup> (FVT) policy, Platinum Choice, annualized auto policy premium, monthly Electronic Funds Transfer

#### Auto Policy Examples<sup>2</sup>: Farmers® Smart Plan Auto policy<sup>3</sup> or Farmers Flex® Auto policy<sup>4</sup>

##### Monoline Farmers Smart Plan Auto policy:

Current annual premium: \$4,094

##### Term life insurance:

+ 10-year FVT, \$250,000 face amount

Annual premium: \$172.20 (\$14.35 per month)

##### Multipolicy life discount:

- 3% discount on \$4,094

= \$122.82 annual savings

##### Multiline auto + life:

= Net: \$172.20 - \$122.82

= \$49.38 more per year (\$4.12 per month)

New total annual premium = **\$4,143.38**

##### Monoline Farmers Flex® Auto policy:

Current annual premium: \$4,094

##### Term life insurance:

+ 10-year FVT, \$250,000 face amount

Annual premium: \$172.20 (\$14.35 per month)

##### Multipolicy life discount:

- 2% discount on \$4,094

= \$81.88 annual savings

##### Multiline auto + life:

= Net: \$172.20 - \$81.88

= \$90.32 more per year (\$7.53 per month)

New total annual premium = **\$4,184.32**

#### Auto & Home Policy Examples<sup>2</sup>: Farmers Smart Plan Auto policy<sup>3</sup> + Farmers Smart Plan Home® policy<sup>3</sup> or Farmers Flex Auto policy<sup>4</sup> + Farmers Flex Home policy<sup>5</sup>

##### Multiline Farmers Smart Plan Auto + Farmers Smart Plan Home policy:

Current annual premium: \$6,821

##### Term life insurance:

+ 10-year FVT, \$250,000 face amount

Annual premium: \$172.20 (\$14.35 per month)

##### Multipolicy life discount:

- 3% discount on auto (\$4,094) = \$122.82

5% discount on home (\$2,727) = \$136.35

Total discount = \$259.17

##### Multiline auto + home + life:

= Net \$172.20 - \$259.17 = <\$86.97>

less per year (\$7.25 per month savings)

New total annual premium = **\$6,734.03**

##### Multiline Farmers Flex® Auto policy + Farmers Flex® Home policy:

Current annual premium: \$6,821

##### Term life insurance:

+ 10-year FVT, \$250,000 face amount

Annual premium: \$172.20 (\$14.35 per month)

##### Multipolicy life discount:

- 2% discount on auto (\$4,094) = \$81.88

2% discount on home (\$2,727) = \$54.54

Total discount = \$136.42

##### Multiline auto + home + life:

= Net \$172.20 - \$136.42

= \$35.78 more per year (\$2.99 per month)

New total annual premium = **\$6,856.78**

### Adding life insurance coverage can benefit the customer

- Policy premiums may be less for a multipolicy customer when life insurance is added, versus only insuring their property or casualty risks.
- The customer has coverage for more than just their auto and home – now their financial protection includes life insurance



### The agency owner benefits too

When life insurance is added to a policy mix, the retention likelihood is greater<sup>6</sup>:

Auto: 62%  
Auto + Life: 95%  
Auto + Home: 87%  
Auto + Home + Life: 99%



An agency owner would have to sell more than 6 auto policies to receive a commission comparable to selling one life policy<sup>7</sup>:

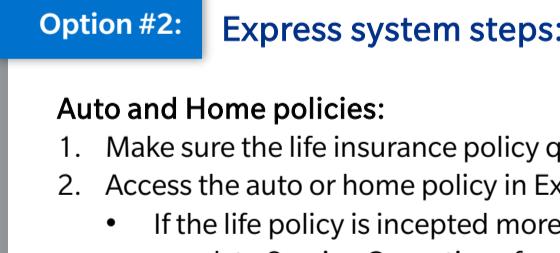
1 Auto policy = \$90 in NB commission  
1 Home policy = \$280 NB in commission  
1 Life policy = \$550 in NB commission



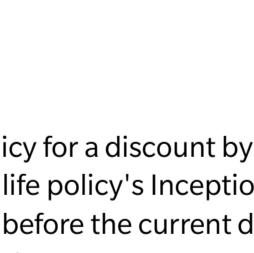
### Starting the conversation

- Consider contacting the customer when permissible to schedule a Farmers Friendly Review® appointment.
- You might ask the customer if they are interested in seeing if they are eligible for any additional discounts.
- You could inform the customer that you noticed they may not have enough life insurance coverage.
- Adding a life insurance policy may help reduce their home or auto insurance premiums, sometimes resulting in more coverage at no additional cost.

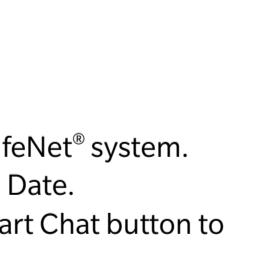
### Resources



[Prospect using Renewal Alerts](#)



[Discounts with Life Insurance](#)  
LifeNet® email or APEX Quick Send Message



[Farmers Friendly Review® Tips](#)

### Two ways to apply the life insurance discount

#### Option #1: PolicyCenter™ system steps to apply the discount to an existing Auto policy:

##### Auto policies:

- On the Auto policy, click **Actions** on the top left corner.

- The Actions button will display a drop-down, select **Change Policy**.

- Select the appropriate effective date and click **Next**.

- Under Policy Level Discounts, click the box next to **Life**.

- Enter the life insurance policy number in the section of **Policy Number** field.

- Click **Next**, which will take you to the Drivers tab to ensure the Social Security Number (SSN) is listed for discount validation.

- Once verified, click **Quote**.

- Verify the Auto/Life Discount is applying under Applied Discounts and change in costs.

- Click **Bind** to submit the transaction.

##### Home policies:

The system will automatically add the Home/Life Discount to the Home policy upon binding the life insurance policy or when adding a spouse to the policy who has a Farmers® Life Policy.

To manually add the Home/Life Discount select the checkbox on the Policy Info screen.

#### Option #2: Express system steps:

##### Auto and Home policies:

- Make sure the life insurance policy qualifies the policy for a discount by checking the LifeNet® system.

- Access the auto or home policy in Express as of the life policy's Inception (Anniversary) Date.

- If the life policy is incepted more than five days before the current date, click the **Start Chat** button to speak to Service Operations for processing assistance.

- Click the **Other Household Policies** link in the menu area on the Summary tab.

- Enter the following life policy information:

- Policy Contract Number

- Line of Business and

- Policy Type.

- Click **Add** then **OK** after all information is entered.

- Go to the **Client** tab and validate the name of the life policy owner and the Date of Birth and Social Security Number.

- Click **Premium / Rate**.

- Click **Submit**.

<sup>1</sup>ICC18-TFRM (FVT) or applicable state variation. Premiums are subject to change after the initial level period. Available face amounts may vary.

<sup>2</sup>The Farmers Smart Plan Auto and Farmers Smart Plan Home discount percentage may vary depending on coverages and perils selected.

<sup>3</sup>Uninsured/Underinsured Motorist, Auto/Non-Commercial, and/or Collision. Any other coverages purchased by the customer are not eligible for the life discount on the Farmers Flex home product.

<sup>4</sup>The 2% discount on the Farmers Flex Auto policy applies to the total premium if the policy only has major coverages (i.e., Bodily Injury (BI), Property Damage (PD), Medical, Personal Injury Protection (PIP), and Uninsured/Underinsured Motorist).

<sup>5</sup>The 2% discount for the Farmers Flex Home policy applies to the total premium if the policy only has certain perils (i.e., Fire Non-Wildfire, Wind/Lightning, Hail, Liability, Theft, Auto Non-Weather, Water Non-Weather, and/or Water Damage).

<sup>6</sup>For more information on the Farmers Flex Home policy, visit [farmers.com](#).

<sup>7</sup>Figures are based on average line of business premiums and new business commission percentages as of 1/31/24.

<sup>8</sup>Life insurance issued by Farmers New World Life Insurance Company, 3120 139th Ave. SE, Ste. 300, Bellevue, WA 98005. Products and features may not be available in all states and may vary by state.

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