

# Knowledge Drop

Transamerica life insurance news | Issue 1, January 2025

## Welcome

to the first edition of **Knowledge Drop**, the exclusive life insurance newsletter from Transamerica. Every month we'll give you a consolidated look at exciting product updates, sales strategies, and more – all in one place. Here's to taking your business to new heights in 2025.

## Loving Life:

### Real People. Real Stories.

We are creating a powerful series of videos that captures the true value life insurance agents like you provide. They're designed to help you sell, to help you connect with prospects and customers, and tell a story everyone needs to hear. Watch the trailer to get a taste of what's to come.

[Watch NOW](#)



## A Word from Advanced Markets

**Trey Fairman, J.D., L.L.M., Director, Advanced Markets Group, shares his insight on important tax conversations to have with clients.**

As you work to help your clients adapt and thrive, taxes, especially potential changes to the tax code, will be top of mind for many as a new year begins.

This article explores six key tax topics that your clients may ask about in the weeks ahead, and it offers suggestions on how you can help them best navigate a changing environment.

[Read article](#)



## Knowledge Drop

# Hello, meet our next generation of IULs.

After the exciting introduction of the *Transamerica Financial Choice IUL*<sup>SM</sup> in 2023 and the continued success of our flagship *Transamerica Financial Foundation IUL*<sup>®</sup>, we are ramping things up even further for your business with a next-generation rollout for each IUL.

### ***Transamerica Financial Foundation IUL*<sup>®</sup> II (FFIUL II)**

A truly flexible option, FFIUL II provides a federal income tax-free death benefit plus the potential for policy value accumulation. A guaranteed minimum interest rate, or “floor,” brings safety through guarantees, and clients can make tax-free loans and withdrawals\* and defer taxes on any earnings.

[Get the toolkit](#)

### ***Transamerica Financial Choice IUL*<sup>SM</sup> II (FCIUL II)**

FCIUL II is index universal life insurance that offers death benefit protection while providing a variety of index accounts and policy features designed to help maximize tax accumulation potential. This IUL is ideal for managing tax diversification and market volatility on a client’s financial assets.

[Get the toolkit](#)

\* Loans, withdrawals, and death benefit accelerations will reduce the policy value and the death benefit and may increase lapse risk. Policy loans are tax-free provided the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that such loan plus other distributions at that time exceed the policy basis.

# Query Corner

Do you have a question for our team? Every month we'll answer pressing topics submitted by life insurance agents like you. Please submit your questions to [querycorner@transamerica.com](mailto:querycorner@transamerica.com).

Q

What are the top 3 topics I should discuss with clients in 2025?

A

### Goal Setting:

The new year is the best time to revisit a client's goals. Have their finances changed? Are they planning to make a big purchase or expand their family? Use this worksheet to guide clients through 2025 and make sure their needs are being met. [Get the worksheet](#)

### Estate Planning:

Did you know only 32% of Americans have any type of estate plan, including a will? Help your clients start the process and ensure their wishes are granted. Here's a helpful resource to start the conversation. [Estate planning checklist](#)

\* "2024 Wills and Estate Planning Study," Caring.com, 2024

### Economic and Market Changes:

With the growing national debt and the new presidential administration, your clients may be experiencing some uncertainty. Be clear about these changes, then provide guidance and education about how these changes may impact them. Visit our Advanced Markets page for the latest updates. [Build your value](#)



## New Final Expense Solution

No matter what your clients wish to pass down to their loved ones, final expenses certainly don't top the list. *Transamerica FE Express Solution*<sup>SM</sup> combines whole life final expense insurance with an optional funeral concierge service at no additional cost, all delivered on a digital platform providing policy delivery within 10 minutes or less.

[Get the guide](#)

# A Word from Advanced Markets *... Continued*



As we kick off 2025, it's anyone's guess what lies ahead, but here are six conversations you should consider having with your clients in 2025. My favorite poet, Yogi Berra, once said, **"If you don't know where you're going, you might wind up someplace else."** So, within the theme of being pleasantly persistent, let's examine six key conversations to remain top of mind.

**First** and foremost, is the pending sunset of the 2017 Tax Cuts and Jobs Act. Without congressional action, the current U.S. federal estate exemption will drop by over 45% and many taxpayers' U.S. federal income tax rates will increase. What's important to note here is that much like in 2009-2010 when a similar situation occurred, you don't want to be too limited in your conversation. Many commentators believe Congress may enact changes between now and the end of the year – possibly as early as the summer months. So be careful, but use this as a tool to tap into existing conversations that your wealthier clients are already having with their legal and tax advisors. Transamerica's piece, **"Leveraging Spousal Life Trusts,"** can help with this conversation. This possible increase in estate and income taxes also presents an excellent opportunity to discuss using index universal life as a supplemental option. In my experience, not every client likes or needs to talk about minimizing estate taxes, but almost all clients love to talk about reducing income taxes. Remember that an overfunded, index universal life policy can serve as an overlay to, or a potential option for those who cannot contribute to a qualified ERISA retirement plan.\* Consider having a conversation about how an index universal life policy may offer income tax and asset diversification strategies, allowing business owners and individuals to diversify their assets.

**Second** is the Corporate Transparency Act. This on-again, off-again regulation increases transparency regarding disclosing business entity ownership. Coupled with the recent Supreme Court ruling in *Connelly v. United States* during the summer of 2024, business owners should already be on notice that changes are afoot. Inform your business owner clients of "The Big 3" – executive bonus, key person, and buy-sell – when it comes to life insurance planning for business owners. Consider also having a conversation about using life insurance as a tool for debt repayment if the owner were to pass away unexpectedly.

**The third** is volatility. With the new administration and items one and two above, economic uncertainty remains a concern, and it has potential impacts on valuations,

liquidity, and income streams. Between the election in November 2024 and mid-January, the "VIX", or the Chicago Board Options Exchange's CBOE Volatility Index, went up more than 20%. The higher the VIX index, the higher the likelihood of volatility in the financial markets. In addition, possible tariffs from President Donald Trump's administration may put increased pressure on non-U.S. foreign business owners who may desire to move foreign assets onshore to the U.S. Embedded in this conversation is likely the impact of negative insurance press dealing with the shooting of a prominent health insurer executive, property and casualty insurance rate hikes due to recent hurricanes and wildfires, plus there are heightened industry concerns with hypothetical illustration performance. Recall that Transamerica has been recognized by Forbes magazine as having highly reliable policy illustrations.

**The fourth** conversation focuses on emerging digital assets and technology trends, including artificial intelligence. Transamerica's publication, **"Is There A Digital Afterlife,"** can help guide these conversations regarding estate planning in the modern era and how digital asset technology may impact your clients in the months and years ahead.

**Fifth**, remember that changes in U.S. federal tax laws do not necessarily mean changes in individual state laws. Approximately 18 states have their own form of estate taxes or inheritance taxes. State death taxes consist of either an estate tax levied on estates or an inheritance tax levied on the heirs of an estate. Maryland has both an estate tax and an inheritance tax.

Also, keep in mind the increased interest of states in mandatory long term care insurance programs. As we saw in Washington state, current interest exists in at least eight other states, with California leading the way. Consider talking to your clients about how they can keep up with the cost of care and how that applies to their situation.

**Sixth**, consider embracing seasonality as part of your client conversations. The first month or two of any year is a good time to talk to your clients about income tax concerns. Use this as an opportunity, as they are gathering tax documents, to review their coverage insurance policies. Though too late for last year, now may be a good time to discuss minimizing income taxes.

In conclusion, your conversations should focus on positioning your clients to adapt and thrive among change. Make it your goal to stay informed about regulatory and legislative changes throughout the year so you can help your clients live their best life.

\* Policy distributions are generally received income tax-free. If the policy is considered a Modified Endowment Contract (MEC), distributions may be subject to current income taxes.

# Knowledge Drop

## Insights, ideas, and more

### Beyond the Death Benefit

A death benefit is one thing, but do your clients know the full potential of life insurance? From income replacement to home ownership protection, make sure your clients aren't missing out. This dedicated page provides you with unique tools and resources to show clients the full potential of their policy.

[See strategies](#)

### Dedicated Support for Foreign Nationals

Did you know Transamerica is one of the first life insurance companies to focus on international underwriting with a dedicated team? With over 30 years of experience in this market, our reliability and financial strength can help you and your foreign national clients with the support and guidance you need.

[Get details](#)

### My Life Access: Digital copies of tax documents now available

Created specifically for clients, *Transamerica My Life Access*<sup>SM</sup> makes staying up to date on their policy a breeze. Plus, clients can now easily access their tax documents, if applicable, on their policy dashboard. Get your clients registered today.

[How to register](#)

**As a friendly reminder,** Transamerica is now ordering all underwriting requirements of Vitals, Labs, and APS when required. Since the rollout of the new underwriting experience, we are going away from the traditional exam form Part II and are now utilizing a reflexive part 2 application, allowing us to collect more information up front. This reflexive part 2 can be completed electronically through the iGO<sup>®</sup> platform, or if submitting business outside of iGO, Transamerica will order a Teleinterview that will be completed through APPS.

## Compliance Updates

### Eliminated State Exclusions

Good news for *Transamerica FE Express Solution*: As of January 14, 2025, we have eliminated state exclusions for replacements in Arkansas, California, Florida, Georgia, Indiana, Kansas, Oklahoma, and Wyoming. As a result, replacements are now available in all states.

### New York

New York has updated its Do-Not-Call requirements to make various changes, including limiting telemarketing between 8 a.m. and 9 p.m. at the location of the customer unless the customer has given his or her express consent to the call at a different time. Agents must now also provide certain information to the customer at the beginning of any telemarketing call.

[Get the flyer](#)

### Ohio

Agents are advised the Insurance Department will now post continuing education transcripts on either the department's website or in the agent's online portal. Previously, the transcripts were only posted on the Department's website.

[Get the flyer](#)