



Imeriti, Inc.

Life Insurance Overview

Session 5: Life Insurance Policy Reviews

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Life Insurance: Which is the Right Choice?

Product	Description	Highlights
Level Term/ Term with ROP	Term insurance is best suited for a temporary need that will expire at some time in the future. Term insurance may also be appropriate for young people who cannot afford permanent insurance. Term with return of premium is attractive because at the end of the term, all premiums are returned if no death benefit has been paid out.	<ul style="list-style-type: none"> •Temporary Insurance Protection •Lowest initial cost •More coverage per premium dollar
Fixed Universal Life	Fixed UL is attractive to customers accustomed to receiving periodic interest on their financial investments. Some want the luxury of an increasing death benefit. Others want to focus on the cash value build-up for future needs. All want guaranteed coverage for life at a fixed price with premium and death benefit flexibility.	<ul style="list-style-type: none"> •Flexibility of premiums •Flexibility of death benefit May Provide: <ul style="list-style-type: none"> •Fixed premiums for life •Cash value accumulation •Coverage for life as long as premiums are paid
Whole Life	With whole life, the customer can permanently transfer the risk of premature death to the insurance company. Whole life is generally bought by conservative clients interested in long-term security and premium that's fixed for life.	<ul style="list-style-type: none"> •Fixed premiums for life •Cash value accumulation •Guaranteed cash value •Coverage for life as long as premiums are paid
Indexed Universal Life	Indexed UL offers death benefit protection with policy cash value interest credit linked to the performance of one or more stock market indices (e.g. S & P 500 Index).	<ul style="list-style-type: none"> •Flexibility of premiums •Flexibility of death benefit May provide: <ul style="list-style-type: none"> •Fixed premiums for life •Cash value accumulation •Coverage for life as long as premiums are paid
Single Premium Universal Life	Single payment life is generally sold as a way to protect customer's estate and increase its value at the same time. Many customers are conservative investors between 55 and 85 years old. They have a nest egg to pass on to children, other family members, or charity.	<ul style="list-style-type: none"> •Increased estate value •Tax-deferred gain in contract •No income tax to beneficiary •Safety of medical provisions
Other Life	Other options for direct stock market participation include Variable Universal Life (VUL) products, which may be discussed in further detail with your licensed Representative.	



Maybe it's time for a life insurance policy review.

- The goal of a policy review is NOT to “sell” a new product.
 - It is intended to make sure client's current policy still meets their needs.
- If a client has not taken a careful look at their life insurance policy lately, they could be:
 - Leaving an inadequate death benefit for their beneficiaries.
 - Risking a policy lapse because of growing fees and/or cost of insurance.
 - Missing an opportunity to may their policy part of their overall financial strategy.
- A policy review can help find – and fix – any pitfalls, before they become a problem.



Maybe it's time for a life insurance policy review.

- How does a policy review work?
- It's as simple as answering a few questions.
Let's:
 - Gather some information about your current coverage.
 - Evaluate your current policy and insurance needs.
 - Look at options, including keeping your existing coverage.



Why Insurance Policy Reviews?

- Help keep your goals on track.
 - Do you still have the same needs as when you first bought coverage?
 - Can your needs be met more economically?
- With the passage of time, life changes, and so does what life insurance can help you protect.
 - Change in marital status
 - New home
 - Children / Adoption
 - Job promotion / job change
 - Taking on debt
 - Planning for college
 - Planning for retirement
 - Receiving an inheritance
 - Changes in your business if you're a business owner
 - Increased / decreased debt load
 - Changes in health
- Help you plan for events down the road.



Why Insurance Policy Reviews?

- **Step 1: Schedule an appointment.**
 - Do you have life insurance? - **Not the best question** ☹
 - **Better way:**
 - **Has your life insurance coverage kept up with your life?**
 - When was the last time you looked at your policy?
 - It's been a while since you bought your policy, and perhaps your circumstances have changed.
 - There's also been some innovations that may reduce your premium or give you more coverage.
- **Step 2: Gather data.**
 - "What's new?"
 - Ask our client whether they've had a major life event lately [see previous slide].
 - Use a Personal Financial Inventory / Fact Finder to help get a snapshot of client's situation.
 - Conduct an underwriting review – client's health plays a major role in their insurability.
 - Ask if they have had any significant changes to their health since they purchased their policy.
 - Conduct a beneficiary review.
 - Request an Annual Statement.
 - Request and obtain an in-force policy illustration.



Why Insurance Policy Reviews?

- **Step 3: Evaluate the data.**
 - What to look for in an in-force illustration:
 - What is the policy's current death benefit?
 - How much premium is your client paying each year?
 - If your client continues paying only this amount – and nothing else changes – for how long will the policy remain in force?
 - At your client's current premium level, for how long will the policy remain in force if the cost of insurance goes up and interest rates decline?
 - What will the policy's net cash surrender value be at the end of the year?
- **Step 4: Present your findings.**
 - "Then ... and now"
- **Step 5: Looking at your options.**
 - The policy review may show that the current insurance meets the client's needs.
 - Or, it may find that a different type of policy may be a better fit.



Life Insurance Policy Evaluation

With an understanding of the client's goals and objectives for their life coverage, we might look at:

- VUL conversion to protect against cash value loss
- Using existing cash value to guarantee a higher death benefit and reduce premiums
- Identifying more appropriate policy alternatives for coverage protection, such as permanent and term combinations
- Policies designed to provide for:
 - 1) College Funding
 - 2) Supplement Retirement Planning
 - 3) Equalize Inheritance
 - 4) Wealth Transfer / Estate Planning
 - 5) Key Person / Business Continuation



Life Insurance Policy Evaluation

Possible reasons to exchange a policy:

- **Policy does not meet client's objectives**
 - [see: Life Insurance: Which is the Right Choice?]
 - [see: Insurance Types / Client Objectives]
- **Secondary guarantees**
 - Based on a fixed premium structure, the universal life death benefit can be guaranteed, as long as the premium is paid according to schedule.
- **Lower mortality expenses**
 - Many new policies have lower mortality expenses than existing policies, thanks to today's longer life expectancies and universal life policies offering more underwriting classes. It pays to compare the mortality charges relative to cash accumulation or secondary guarantees.
- **Need to access more living benefits**
 - Clients' concerns can shift from income replacement to outliving their money in retirement. They may need to look at policies that have other living options.
- **Company strength**
 - Check the most recent ratings, and the ratings criteria, of any company you are considering.

Why Insurance Policy Reviews?

- There may be other circumstances that may affect your policy.
 - Your health: Have you lost weight or stopped smoking? Your health is a consideration when reviewing your life insurance policy.
 - The economic environment: Interest rates fluctuate and are quite different from where they were a few years ago. These interest rate changes may play a role in the performance of your policy.
- Examine your annual premiums:
 - How much are you paying?
 - Is the amount still within your budget?
- Review the death benefit amount:
 - Does the death benefit provide you with enough coverage?
 - Items that may affect your death benefit are cost of living expenses and any life events.
- Look at your beneficiary designations:
 - Make sure your beneficiary designations are up-to- date.

Why Insurance Policy Reviews?

Needs	Cost
Immediate Funds for Final Expenses May include medical, burial, attorney, tax, and probate costs	
Debt Repayment May include credit card balances, auto loans, and education loans	
Emergency Fund May include medical emergencies, home repairs, and job loss	
Mortgage Protection May include monthly/annual mortgage or rental fees	
Child Care May include child care services as a result of the death of a spouse	
Educational Fund May include private school or college funding	
Adult Care May include care for an elderly parent	
Charitable Giving May include leaving a donation to your favorite charity or organization	
Gifting May include leaving a legacy to another relative or loved one	
Replacement of Lost Income It is suggested that you select a desired level of income and divide by an assumed rate of return.	
Estimated Life Insurance Coverage Needed	



INSURANCE TYPES / CLIENT OBJECTIVES

[Select all that apply.]	Term	ROP Term	Fixed Universal Life	Index Universal Life	Variable Universal Life	Whole Life	Life with LTC	Single Premium Life	Long Term Care (Traditional)	Annuity Fixed or Index	Annuity Variable	Annuity Immediate
1 Temporary Protection 10-, 15-, 20-, 25-, 30-Years	<input checked="" type="radio"/>											
2 Temporary Protection 15-, 20-, 30-Years		<input checked="" type="radio"/>										
3 Death Benefit Only, No Cash Value	<input checked="" type="radio"/>	<input checked="" type="radio"/>										
4 Lowest Premium	<input checked="" type="radio"/>	<input checked="" type="radio"/>										
5 Permanent Protection			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			
6 Policy Cash Value			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	
7 Tax Sheltered Access to Cash Prior to Age 59 1/2			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
8 Flexible to Meet Changing Needs				<input checked="" type="radio"/>	<input checked="" type="radio"/>					<input checked="" type="radio"/>	<input checked="" type="radio"/>	
9 Cash Accumulation Account with investment or interest rate mix selection by client				<input checked="" type="radio"/>	<input checked="" type="radio"/>					<input checked="" type="radio"/>	<input checked="" type="radio"/>	
10 Low to Moderate Risk Tolerance			<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
11 High to Moderate Risk Tolerance	<input checked="" type="radio"/>	<input checked="" type="radio"/>			<input checked="" type="radio"/>						<input checked="" type="radio"/>	
12 Increasing Death Benefit Without Insurability Concern			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>				<input checked="" type="radio"/>	<input checked="" type="radio"/>	
13 Flexible Premium Payments			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>					<input checked="" type="radio"/>	<input checked="" type="radio"/>	
14 Estate Liquidity	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	
15 Long Term Care / Convalescent / Nursing							<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
16 Income Tax Free Death Benefit	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>				
17 Age 0 - 18			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 19 - 35	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 36 - 45	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 46 - 55	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 56 - 65	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 66 - 70	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 71 - 80			<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Age 81 - 85			<input checked="" type="radio"/>			<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
TOTALS												

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Fill in all selections that apply to client's objectives. Total each column for the number of entries selected in that column. Columns with higher totals are the Insurance Products to focus on for client.

Please review policy-specific features, definitions and limitations, applicable for the State of issue. Life and annuity products vary by State and insurance company. Please contact Imeriti 800-921-3100.

Handout available

Life Insurance Policy Evaluation

Current Information

Insured name	Date of Birth	Gender
Additional insured name	Date of Birth	Gender
Policymaker (if different than insured)		
Original Underwriting Class		
Any health changes since issue		

Beneficiary Information		

Purpose for Current Insurance Coverage

<input type="checkbox"/> Survivor needs <input type="checkbox"/> College funding <input type="checkbox"/> Financial planning <input type="checkbox"/> Supplement retirement planning <input type="checkbox"/> Equalized inheritance <input type="checkbox"/> Estate planning <input type="checkbox"/> Charitable giving <input type="checkbox"/> Executive benefits <input type="checkbox"/> Business continuation <input type="checkbox"/> Key person <input type="checkbox"/> Other (please explain): _____ _____ _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 40%;">Name</th> <th style="width: 20%;">Date of Birth</th> <th style="width: 40%;">Gender</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	Name	Date of Birth	Gender			
Name	Date of Birth	Gender					

Policy Information

**** Attach most recent policy statement.**

Policy Date _____

Policy Type _____

Death Benefit _____

Premium Structure

Option [Level, increasing, Face + Premium] _____

Riders _____

Current Cash Value _____

Outstanding Loans? Amount _____

Surrender Charges? Amount _____

Net Current Cash Surrender Value _____

Considerations

How long will you require death benefit?
How many years do you wish to pay premiums?

Priorities objectives

Rank from 1 to 3, 1 being most important. Use each number only once.

_____ I want to accumulate money for later withdrawals.

_____ Accumulation is secondary; I want the death benefit guaranteed.

_____ I want to pay the lowest premium and am less concerned about returns and guarantees.

Handout available

Life insurance offers a potentially powerful combination of benefits, protections and advantages

I wish to Thank You for attending.
And now, Questions

For Case Design and Life Product assistance,
contact an **Imeriti Representative** at 800.921.3100

