



Evaluating Your Blueprint For Life

The Importance of
a Policy Review

**Needs Evolve.
So Should Your
Life Insurance.**

Preface

Evaluating your life insurance needs should not be a one-time event. Life is always changing and so are your financial needs. Of the many instruments that make up a client's assets, life insurance is often the least monitored. In our experience, many financial strategies include life insurance policies that have not been reviewed since the policies were purchased. Like many other financial tools, life insurance policies should be reviewed every year or two to ensure they are performing as you expected and aligned with your current financial goals and objectives.

Life Events Review

There are certain life events that may trigger the need for an adjustment to your life insurance coverage. The most common are:

- Change in marital status
- New home
- Birth/adoption
- Taking on debt
- Planning for college
- Planning for retirement
- A significant change in assets
- Change in your business
if you're a business owner

This list is simply a guide. Your own personal life situation will determine when a review of your life insurance may be necessary.

What Does a Policy Review Actually Entail?

A typical comprehensive policy review will go much deeper than merely analyzing the death benefit of your existing life insurance coverage. It will look at your current life situation, including your financial goals, any recent life changes, changes in your health, current economic conditions and new trends in insurance underwriting, as well as compare the benefits and limitations of your existing coverage to new life insurance products that may be available.

Special attention will be given to these particular aspects of your current policy:

- **Annual Premium**

- > How much are you paying? Is it still within your budget?
- > Can you possibly lower your premiums for the same amount of coverage?

- **Death Benefit**

- > Does your current death benefit still provide you with the coverage your family needs?

- **Beneficiary Designations**

- > Do you need to update your beneficiaries to properly address your intentions?

- **Supplementary Benefits**

- > Do you have unnecessary riders on your policies?
- > Are there new options that may be of benefit to you?

- **Policy Ownership**

- > Is the policy ownership structure tax efficient and does it still make sense?

- **Policy Performance**

- > Are there other options that could potentially improve the policy's performance and build cash value?
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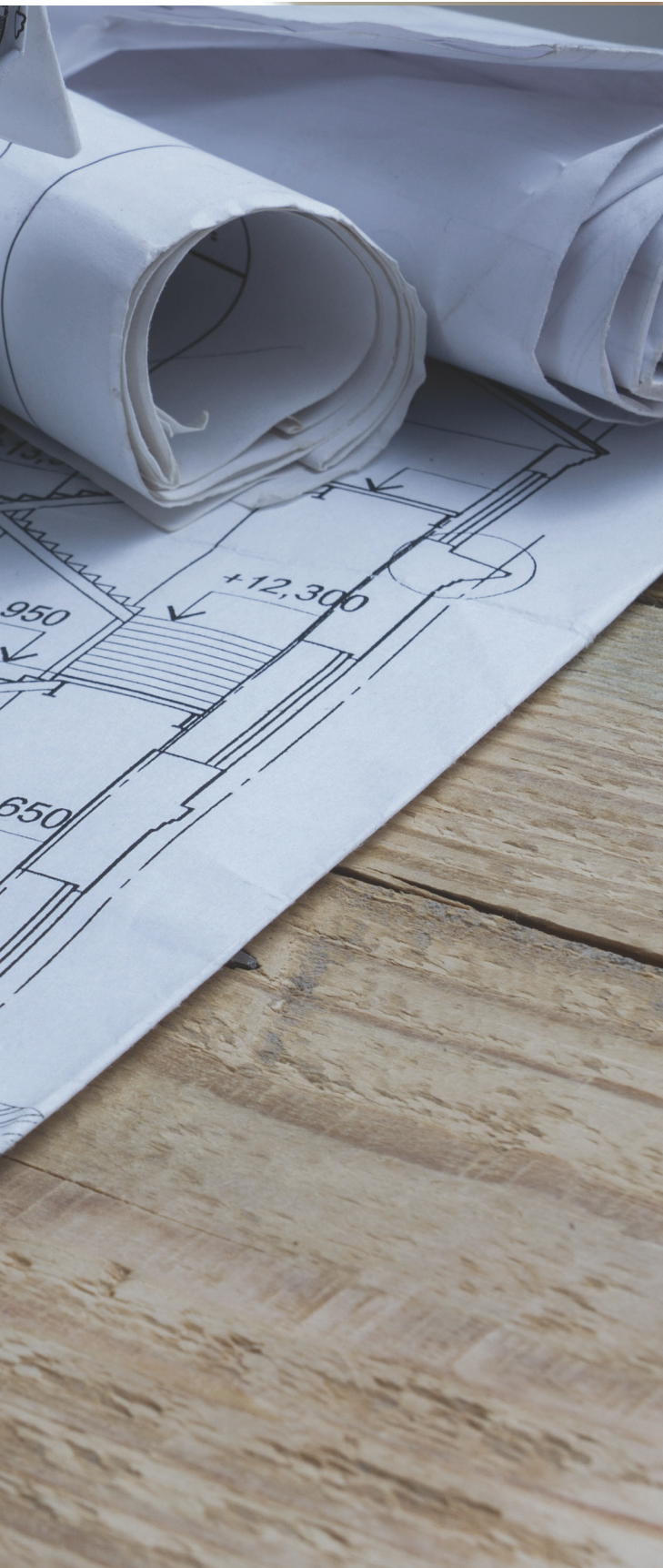
What Happens Now?

Once the review is complete, one of several things may happen. You will have the reassurance that the coverage you have in place now is still appropriate for your situation. Or, you will have the chance to make any necessary changes to ensure that you obtain the desired coverage to help you work toward your financial goals. A few examples of some possible changes would be to:

- “Alter” the policies already in force
- Keep the current policies in force and change nothing
- Replace some or all of the policies that are not performing as needed, or change their structure to better meet your needs and goals

Should you and your financial professional determine that new life insurance coverage is appropriate, please be aware that most life insurance policies are subject to health underwriting and, in some cases, financial underwriting.

New policies will be subject to new surrender charge periods. You should carefully review both the current and new policy with your financial professional to ensure you understand the differences and what you may be giving up if you replace your current policy.



Life insurance can be an effective and powerful way to transfer and help protect your legacy, helping to ensure that your loved ones are taken care of after you are gone. By taking the time to review your policies now, you can proactively help to ensure that your life insurance coverage is aligned with you current financial goals, is performing to your expectations and that you are able to leave a financial legacy to your beneficiaries.

Policy Review Preparation

Personal Information

Name: _____ Address: _____
Phone: _____ Fax: _____ Email: _____

Existing Policy Information

Issuing Company: _____ Customer Service Phone: _____
Policy Number: _____

A comprehensive life insurance policy review is recommended to help ensure that your current coverage still fits your current circumstances and objectives. Below are general questions for a policy review. You should be prepared to answer as many as possible.

- What are your basic financial objectives for life insurance?
(income protection, supplemental retirement income, estate planning, etc.)

- What type of policy do you have? _____
- Who are the owners and beneficiaries? _____

- What is the current death benefit, including paid-up additions, if applicable? \$ _____
- Do you feel the amount of insurance is adequate to meet your current and future needs? Y / N

If current coverage is permanent insurance:

- Is there an outstanding loan? Y / N (If yes) Amount: \$ _____
 - Is the above death benefit amount listed net of this loan? Y / N
 - What is the interest rate charged on the loan? _____%
- What is the current surrender value? \$ _____
 - What is the current surrender charge? \$ _____
 - Is there a taxable gain if the policy is surrendered? Y / N (If yes) Amount: \$ _____
- What is the current annual premium? \$ _____ Next due date: _____
- What are the total cumulative premiums you have paid over the life of the policy? \$ _____
- Is the policy a modified endowment contract (MEC)? Y / N

If you have a term policy, please provide the latest statement. If your coverage is permanent, you should request an in-force illustration from your current carrier be mailed to your home or to your financial professional's office.

Request For In-Force Illustration

To: _____
Current Insurance Company

Customer Name: _____ DOB: _____

Policy Owner Signature(s) Date Capacity (owner, POA, trustee, etc.)

Re: Policy Number(s): _____

To Whom It May Concern:

I hereby grant _____ access to any and all information from your company pertaining to me and any of my life insurance policies.

Please forward a current status (cash values, loans, etc.) and an in-force illustration on the above referenced insurance policies. The in-force illustration should be run as follows:

☐ Current & guaranteed interest rates

or

☐ Interest rates of 0% and ☐ 6% ☐ 8% ☐ other ____% (not to exceed 12%)

Type of in-force illustration(s) requested

(Check all that apply)

- ☐ Full Pay - pay scheduled premium all years
- ☐ Limited Pay - scheduled premium payments stop when values are adequate to endow policy
- ☐ Solve for level premium to endow policy
- ☐ Please also provide current account value, surrender value and beneficiary designations
- ☐ Other:

I authorize you to forward this information via fax to _____
Name

at _____
Fax



Life insurance agents do not give legal or tax advice. This brochure is designed to provide general information on the subjects covered. It is not, however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market or recommend any tax plan or arrangement. You are encouraged to consult your personal tax advisor or attorney. This brochure is not intended to serve as the basis for any financial or purchasing decisions.

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Content prepared by Advisors Excel.