

Policy Review

Are You Optimizing Your Life Insurance Coverage?

Life insurance is a complex and highly flexible financial instrument. But too often, it's purchased for a very specific purpose, crossed off the financial "to-do" list and tucked away.

Why You Need to Evaluate Your Existing Life Insurance

Chances are, your life has changed since you last purchased life insurance. The insurance industry has undergone dramatic changes, and interest rates have plummeted.

If you haven't taken a good look at your life insurance policies lately, you might be missing out on essential information about the performance of your policies and possible gains resulting from more current, cost-effective coverage.

A Policy Review is a critical component of a sound financial planning strategy. It begins with some basic questions:

- Is your existing life insurance policy providing adequate coverage?
- Have the needs that prompted the purchase of your existing life insurance policy changed?
- How is your policy performing relative to its original objective?
- Is it on track to meet intended goals?
- Are your insurance products among the most competitive and cost-effective on the market today?

What is a Policy Review?

The objective of a Policy Review is to ensure that your life insurance coverage is in alignment with your current financial needs. It takes into account personally owned contracts, trust owned contracts and employer provided benefits to provide you with an unbiased assessment of the adequacy of your coverage.

Due to significant changes within the life insurance industry in recent years, this is a good time to review your life insurance policies to ensure that you are getting the most benefit possible out of your life insurance coverage and that you have the right type of life insurance to meet your specific needs. Over the past decade, life insurance products have advanced considerably. A Policy Review ensures that your life insurance policy meets your needs today.

We can provide you with a thorough explanation of how your policy has performed, projected cash values at designated intervals, and an assessment about the number of years that the policy will remain in force based on current assumptions. In cases where there is a clear advantage, we will also provide you with information on alternative policies.

What Factors Into the Evaluation?

Your Current Situation

- Have there been significant changes in your family life? Have you gotten married, divorced, or added another member to your family?
- Do you now have grandchildren who you would like to provide for?
- Has there been a change in your employer-sponsored benefits?
- Has your net worth increased or decreased significantly?
- Are you planning to fund a child's college education?
- Is your retirement plan adequate to fund your future?

The Status of Your Coverage and Your Carriers

- Are your policies performing as projected?
- Have there been changes in the rating of your life insurance policy's carrier?
- Are there newer insurance products that are more cost efficient or that offer better guarantees?
- Could you benefit from new riders that offer more appropriate features such as return of premium or guaranteed death benefit protection?
- Does term insurance coverage meet your longer-term needs?
- Is your policy's premium scheduled for a significant jump?

Why Would I Exchange an Old Policy for a New Policy?

Lower costs. In many cases, newer policies have lower cost structures than policies issued as recently as two or three years ago.

Carriers' financial status. If the financial stability of a carrier changes, it's often advisable to switch to a financially sound company.

Health changes. Improvements in health that affect the underlying policy cost.

Underwriting issues. New underwriting programs could reduce a policy's mortality costs or eliminate undesirable ratings.

For traditional insurance products only, may not be used with Variable Life Policies.

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