

Life Insurance Policy Review Strategy Sheet

WEALTH STRUCTURING GROUP



ESTATE PLANNING SERVICES

Current Combined Policies

Death Benefit:\$1,000,000

Cash Surrender Value:.....\$279,000

Annual Premiums:\$13,470



Option 1 — Pay no further premiums
Guaranteed Death Benefit = \$981,000

Option 2 — Reduce annual premium to \$6,735
Death Benefit = \$1,319,000

Option 3 — Keep same premium, increase death benefit
Death Benefit = \$1,656,000

EXAMPLE

The client, male, age 60, purchased a whole life policy in 1992. The current death benefit is \$1,000,000, cash surrender value is \$279,000, and total annual premium is \$13,470. The goal is to re-price the current coverage in accordance with the client's needs. Assuming good health and a preferred rating:

- **Option 1** — The client can move existing cash value over to a new Universal Life policy with a guaranteed death benefit for life and obtain a new death benefit of \$981,000 while paying no further premium.
- **Option 2** — The client can move existing cash value over to a new Universal Life policy with a guaranteed death benefit for life and obtain a lower premium of \$6,735 per year with a death benefit of \$1,319,000.
- **Option 3** — The client can move existing cash value over to a new Universal Life policy with a guarantee death benefit for life and obtain a new death benefit of \$1,656,000 while maintaining the current annual premium payment of \$13,470.

Death benefits are guaranteed for life by the insurance company as long as any required premiums are paid and no withdrawals are taken from cash value.

WHAT IS NEEDED TO COMPLETE A LIFE INSURANCE POLICY REVIEW

- | | |
|--|--|
| <input type="checkbox"/> Financial Advisor Name | <input type="checkbox"/> General Health Status |
| <input type="checkbox"/> Client Name(s) | <input type="checkbox"/> Does client use tobacco? |
| <input type="checkbox"/> Client Date(s) of Birth | <input type="checkbox"/> Current policy death benefit |
| <input type="checkbox"/> Current policy cash surrender value | <input type="checkbox"/> Copy of client's most recent policy statement |

For more information on Life Insurance Policy Review

Contact your Wealth Structuring Insurance Specialist or your Insurance Business Development Specialist at **877.472.6544**

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When replacing an existing insurance contract clients should carefully consider the risks and benefits before taking action, including their current need for coverage, current health status and insurability, fees and charges associated with terminating an existing contract and future liquidity needs.

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