Conversation starters for a life insurance review

For a thorough review, use this checklist to guide your discussion with a client or prospect.

TOPIC	WHAT YOU CAN SAY OR DO
◯ **Death benefit amount**	How did you arrive at the current amount of coverage? Do you still feel this is appropriate?
◯ **Insurance purpose**	What was the original purpose of the insurance? (survivor needs, cover estate taxes, retirement income, business planning, etc.) Does this purpose still exist? How has it changed?
◯ **Ownership**	Who is listed as the owner of the policy?
◯ **Beneficiary designations**	Who is listed as beneficiary(ies) of the policy? Who are the contingent beneficiary(ies)?
◯ **Policy performance** • Interest/dividends • Load structure • Expenses • Mortality costs	Review current annual statement and actual policy to see how the policy is performing and what the contractual fees are. *Improvements in medicine have resulted in an increase in life expectancy. Because of this, many new policies have lower mortality expenses than existing policies, sometimes significantly lower.* Would consolidating multiple policies improve performance?
◯ **Riders**	What riders are on the policy? Are you paying for riders you may not need any longer?

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◯ **Living benefits**	Does your current policy have chronic illness and/or long-term care features? Have you given any thought to what would happen if you could no longer take care of yourself? Do you have a protection plan in place to ease the hardship of a chronic illness?
◯ **Term policies**	Is there a conversion option? If so, for how long? What products are available to convert to? Is the premium increasing (annual renewable term), or is the death benefit decreasing (mortgage insurance)?
◯ **Survivorship policy vs. individual policies**	Is there a need for second-to-die coverage vs. individual policies?
◯ **Death benefit coverage period**	How long is the death benefit projected to last? ____ years What is the maturity age of the policy? ____ Some older policies have a maturity age of less than age 100 that a client may outlive and force a taxable payout. How long do you want it to last? • Age ___________ • Age 100 • Beyond age 100 • Other _________
◯ **Impact of policy loans (if any)**	Are there loans on any existing policies? *New policies with attractive loan features may be beneficial.* • *Some insurance policies offer loan interest rates that might not be available on the existing policy.* • *New policies might have a loan provision where the interest credited on the loan amount is equal to the loan interest amount charged on the loan. This could be important if the policyowner doesn't plan to repay the loan.* Key questions: • Can you take withdrawals to cost basis and then loan? Y / N • Is it a fixed or variable loan rate? If variable, what is the rate formula/guaranteed maximum? • Is there an automatic paid-up feature available to prevent lapse and potential tax event? Y / N • If so, is the automatic paid-up feature triggered by the insurance company or the policy owner?

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○ **Underwriting classification**	What underwriting class was the policy approved for? Have there been any positive health changes such as weight loss, quitting smoking, improved blood pressure or cholesterol results, etc.? Take advantage of more underwriting classifications: • In the past, there were fewer underwriting classifications available. • Since carriers periodically improve underwriting classes, your client might benefit from a lower mortality charge in an exchange of an older policy for a newer one.
○ **Variable policies**	Is asset allocation of the policy consistent with your current risk tolerance and objectives for the policy?
○ **Business plans**	Is the life insurance part of a business plan? If so, which one(s): ____ Key person ____ Buy-sell agreement funding ____ Deferred compensation plan ____ Bonus plan ____ Endorsement split dollar plan ____ Loan split dollar plan ____ Death benefit only plan ____ Business debt protection ____ Other:____________________________ Key questions: • When was the last time the plan was reviewed? • Is your company interested in learning more about strategies to recruit, retain, reward, and retire your key employees? • Are you confident in your business's buy-sell arrangement in the event of a death, disability, or retirement of an owner? • Does your business play in a key role in your personal retirement plans? Do you have a plan? Do you know the value of your business?

Current policy information

Document any existing coverage. If it'll be kept, this will be helpful to present a complete illustration of what you propose going forward. If any policies will be replaced, this will capture all the necessary details upfront while you're at it.

Insured's name ______________________________

DOB ______________________ Gender ______________________

Additional insured's name ______________________________

DOB ______________________ Gender ______________________

Policyowner phone ______________________ Policyowner email ______________________

Policy number ______________ Policy date ______________ Policy type ______________

Insurance carrier name ______________________ Death benefit amount ______________________

Death benefit option (level, increasing, face+premiums) ______________________

Premium amount ______________ Frequency ______________ Number of years ______________

Current interest rate ______________________ Guaranteed interest rate ______________________

Current cash value ______________ Net surrender value ______________ Cost basis ______________

Policy design requested

How many years do you plan to pay premiums? ______________

Prioritize objectives (number from 1 to 3). I want:

____ To accumulate money to access later for supplemental retirement income.

____ The death benefit to last as long as possible. Accumulation is secondary.

____ To pay the lowest premium possible and am less concerned with returns and guarantees.

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