



10 REASONS TO REVIEW YOUR LIFE INSURANCE TODAY



1. HAVE YOUR NEEDS CHANGED?

Is the original reason you purchased your policies still applicable? Often, the need for life insurance changes:

- Your children are grown and you no longer need to support them financially.
- You may have sold your business and no longer need your key person or buy-sell policies.
- You may now need life insurance to offset estate taxes.
- You may have shifted your goals toward charitable giving.
- Significant changes in estate and income taxes may have altered your financial and/or estate plan.

A review helps you determine why you may or may not need life insurance today and will allow you to adjust your life insurance portfolio accordingly.



2. HAS YOUR HEALTH OR LIFESTYLE CHANGED?

Changes in your health or lifestyle can have a profound effect on policy costs or on the type of coverage needed.

- If you have stopped smoking, your premiums may be reduced substantially.
- If you no longer engage in activities such as piloting private aircraft, scuba diving, or racing, your rates may be lowered.
- If your health has declined, you may wish to convert temporary term insurance policies to permanent policies.

A review helps you make sure that your lifestyle and health are reflected in your policy.

3. IS YOUR COVERAGE COMPETITIVELY PRICED?

Life insurance premiums are being driven down due to several factors:

- People are living longer.
- Insurance companies have reduced expenses.
- There is intense competition among carriers.

A review determines whether your coverage is cost effective or can be obtained from a stronger carrier for less money.

4. IS THE AMOUNT OF INSURANCE COVERAGE ALIGNED WITH YOUR NEEDS?

As your net worth increases, it is not unusual for there to be a need to increase your coverage. The purchase of additional life insurance to meet your family's needs may be warranted. In contrast, occasionally your needs may change in a way that will allow you to decrease coverage.

In both cases, it is important to have your coverage in line with your current needs. If your current coverage exceeds your current need, you may be able to adjust benefits; alternatively you may consider naming a charity as beneficiary or surrender unneeded policies for cash. If coverage is inadequate, you may be able to purchase additional life insurance to meet your family's needs. A review determines the appropriate amount of life insurance you should maintain.

5. IS YOUR LIFE INSURANCE COORDINATED WITH YOUR OVERALL ESTATE OR BUSINESS PLAN?

Lack of coordination between life insurance and an estate and/or business plan is common.

- Have you developed or modified an estate or business plan but neglected to integrate your life insurance policies?
- The tax benefits of life insurance can be minimized or lost if the ownership and beneficiaries of your policy are not coordinated with your planning strategy.
- Proper ownership of a life insurance policy may insulate death benefits from estate taxes.

A review helps identify gaps in your planning and will offer you ideas to consider which will address the gaps.

6. ARE THE BENEFICIARIES CORRECT?

Do your beneficiary designations continue to align with your wishes? Often circumstances have changed but beneficiary designations have not.

- If you purchased a policy today, would you name different beneficiaries?
- Are all beneficiaries and contingent beneficiaries above the age of majority?
- What tax implications, if any, do your current beneficiary designations create?

A review will allow you to consider whether beneficiary changes are warranted.

7. DO YOU HAVE THE MOST APPROPRIATE POLICY TYPE FOR YOUR CIRCUMSTANCES?

The types of life insurance products available have changed dramatically in the last 20 years. Term and permanent life insurance policies are now available in many forms. Each type has unique characteristics that may be better suited for some situations than others. A review helps determine if existing coverage is adequate or if a new version may be superior in performance, cost effectiveness, and compatibility.

A review of your life insurance may result in your desire to exchange your current coverage for different coverage. If exchanging your policy to another, you should consider the following issues before committing to the exchange:

- There are different features in different insurance products. Be clear on the features as well as the cost before you exchange your current policy.
- There are differences in premium and other costs for different policies. Be sure to understand the premiums that will have to be paid and costs involved before you exchange your current policy.
- If exchanging a policy, the policy owner may be subject to surrender charges on the existing policy that could affect the amount of cash value available for the new policy. Be sure to assess the effect of that as well as future premium payments that may be due.
- Be aware that after the exchange you may be subject to a new set of surrender charges that apply to your new coverage based on the new product you have chosen.



In the event a securities product, such as variable life insurance, is recommended for use with the planning concept, this material must be accompanied by a current prospectus. Please review the prospectus thoroughly before purchasing a securities product such as variable life insurance. Variable life insurance policies contain investment sub-accounts that are subject to market risk including loss of principal. If investment performance of the sub-accounts to which the policy value is allocated is less than expected, the policy may lapse or may not accumulate surrender value sufficient to fund the policy for the reason it was purchased. Any variable life insurance featured guarantees, such as death benefits, are subject to the claims-paying ability of the issuing insurer.

8. IS YOUR POLICY PERFORMING AS ORIGINALLY PRESENTED?

Changes in interest rates, changes in variable policy subaccount performance, and the cost of insurance can affect several aspects of your policy, including the amount of your premium, the length of the premium paying period, and the duration of your policy. A periodic review will help determine if adjustments will improve performance or are necessary to preserve the benefits under the policy. In some cases, it may be necessary to upgrade to a better policy.

9. WILL A DIFFERENT PAYMENT STRATEGY SAVE TAXES?

There are many ways to pay life insurance premiums. Some methods may minimize gift, income, and/or estate taxes. Others allow you to use the lower tax bracket of your business to pay for coverage. A review determines if there is a more tax effective strategy to pay for coverage.

10. IS THE INSURER RELIABLE?

The insurance industry is more competitive and complex than in the past. Do your life insurance companies have strong financial ratings and claims-paying ability? Ideally, your life insurance policy will not come into play until many years into the future. It is critical that your companies retain high financial ratings, solvency, and the ability to pay your claim when it comes due.

A review helps you determine whether your insurance companies are sound, or whether you should consider moving your coverage elsewhere.

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