

Policy Review SALES KIT



In this kit:

Producer guides | Sales ideas | Client worksheet | Client brochures

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INSURANCE

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2266 LAVA RIDGE COURT | ROSEVILLE, CA 95661



You're In Charge®

WealthProtection ExpertiseSM

Life Insurance Policy Review

Add value to one of your clients' biggest, neglected assets

LIFE SOLUTIONS

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

1187579

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Not for use with the public.

Effective coverage reflects the dynamic lives of clients

You understand the value of knowing what your clients really care about in their lives. It is equally important for you to be informed when changes occur in their family, career, or finances.

Part of your ongoing due diligence is to assess the impact these changes may have in achieving client goals and, if necessary, to recommend adjustments to their strategies to keep them on track. Your proactive review alone can help deepen relationships, even when the result is to just stay the course.



Life insurance presents unparalleled business opportunity.

A **Life Insurance Policy Review** is a great way to enter into a dialogue with your client and can be incorporated into initial planning or regular reviews when significant life changes have occurred.

At a minimum, reviews should be scheduled in three to five year intervals to ensure coverages continue to meet client needs.



Learn new information about your clients and what they care about most

A **Policy Review** is designed to help you deepen conversations with clients and determine if their existing insurance coverage meets their current needs. You'll like the way it integrates into your practice because it combines a tangible benefit—the ability to identify additional ways to protect and reassure clients—with raising awareness of the emotional ties in their lives.

Conversations that focus on wealth and lifestyle protection, a primary goal of life insurance policies, help clients separate these long-term priorities from more immediate financial considerations, so they are more likely to speak freely and honestly.

An effective tool for advisors who want to

- Gain greater insight into client priorities
- Demonstrate their commitment to preserving client outcomes
- Motivate clients to take charge of their future

When conducting an insurance Policy Review and presenting options that include replacing an existing insurance contract, it is important to discuss the risks and benefits. Clients should carefully consider the risks and benefits before taking action, including their current need for coverage, their current health status and insurability, fees and charges associated with terminating an existing contract, and future liquidity needs.

Perform an impartial Policy Review quickly and easily

Many clients are increasingly risk adverse, and the protection and other benefits that life insurance provides is becoming increasingly important.

For clients to receive the maximum benefits their policies can offer, coverage and performance should be reviewed regularly and kept up-to-date. Our convenient, step-by-step approach makes it easy for you to:



Recognize the changes in client lives and in the life insurance industry, which can trigger the need for a Policy Review.



Record existing coverage and conduct a comprehensive analysis.



Provide a report showing any need for additional coverage and/or policy changes to adapt to current circumstances.



Potentially save your clients money on premiums by updating policies to reflect positive health changes, new mortality tables, current tax laws, interest rates and more.

Life changes. Needs change.

Life Insurance Policy Review can protect what's really important to your clients—today.


Life insurance is not a one-and-done proposition. Depending on the policies your clients already own, there are many ways to adjust their coverage to match their current situation. Here are some of the most common developments that you should probe during regular meetings and be on alert for in conversation as they are likely to have some life insurance impact.

These developments may trigger insurance needs or policy adjustments.




Business/career

- Career change
- Business start-up
- Business ownership change



Health/aging

- Positive change in health
- Term policies approaching conversion date expiration
- A need for more living benefits



Family

- Marriage or divorce
- Home purchase or move
- New children
- New adult children
- Special needs children
- Parent care
- Beneficiary updates



Policy/industry specific

- New, lower mortality tables than existing policy basis
- Changes in tax law
- Policies in trusts not previously reviewed
- Policy performance based on interest rates
- Policy loans
- Policy withdrawals
- Lapse protection (secondary guarantees)

Follow these easy steps for a successful Policy Review

Whether you're working with new or existing clients, the Policy Review process is similar. For existing clients who have already completed a financial needs analysis with you, jump right in by determining the purpose for life insurance during your next review.

1

Review

Complete a financial needs and goals analysis, including the purpose for life insurance.

- Interview the client.
- Gather information using the Policy Evaluation Worksheet.*

2

Analyze

Request in-force ledgers for existing policies.

- Analyze premiums and death benefits.
- Compare in-force ledgers, policy provisions, guarantees and other features.

3

Evaluate

Base your findings on the data.

- Evaluate the situation using the Policy Review guidelines.
- Determine if the existing amount and type of insurance meet the client's needs.

Be proactive when client needs change or policy performance differs

Results of client evaluation

- Policy is performing as expected or better
 - Client needs/situation has no changes
-
- Policy is not performing as expected or
 - Client needs have changed



Indicated actions

- Check to see if the policy is performing as well as what is available in the market place today. It's possible that a review of competitive offerings would discover better options. Otherwise evaluation is complete. Review at periodic intervals (3 to 5 years unless life changes dictate otherwise) to ensure coverage continues to meet client needs.
- Determine policy changes required to meet client needs. This may require a change in premium (up or down) or face amount of the policy.
- Evaluate the ability to update existing policies or consider other alternatives that would be more suitable. Explain options to client, which may include a more efficient way to add coverage. Use illustrations to simplify decision-making.

Your representative can provide you with expertise and support, including coverage evaluation, policy illustrations and recommendations.

Now what?

Follow these best practices for Policy Review success

Policy Review can be both a prospecting and a relationship-strengthening tool. Prepare for your meetings and make your recommendations compelling by following these steps.

Prospect	<ul style="list-style-type: none"> • Locate Policy Review opportunities through new client relationships or from existing clients.
Set up the meetings	<ul style="list-style-type: none"> • You'll need two. One for gathering the information, which may also require your additional follow-up, and a second for presenting your findings and recommendations.
Gather financial data, including the original policy	<ul style="list-style-type: none"> • Use the "Survivor Risk Management Questionnaire."* • Insist on having your client find the original policy or help them request it from the company.
Obtain current objectives	<ul style="list-style-type: none"> • Use the Life Insurance Risk Assessment Form.*
Request in-force illustrations	<ul style="list-style-type: none"> • Use the In-force Request Form* and contact the Home Office of the issuing company.
Perform an analysis of the existing policy or contract details	<ul style="list-style-type: none"> • Include premiums, death benefit, and guarantees. • Obtain the annual policy summary for current cash and surrender value. • Examine the original illustration. Depending on the age of the policy, there may be valuable benefits they do not want to sacrifice, including interest rates and settlement options.
Review the "policy people"	<ul style="list-style-type: none"> • By knowing the policy owner and beneficiaries, you'll learn the client's motivation for taking out the policy, including who was important to them at that time. • Refer to the "10 Most Common Life Insurance Mistakes to Avoid."*
Evaluate policy performance	<ul style="list-style-type: none"> • Does the policy meet the current needs of the client? • Are there better solutions available in the marketplace?
Ask for help from your trusted Lincoln representative	<ul style="list-style-type: none"> • You don't have to do it alone...especially if you are new to Policy Review or have a complex situation.
Present your findings to the client and make your recommendations	<ul style="list-style-type: none"> • There are many good reasons for keeping existing coverage: <ul style="list-style-type: none"> – Surrender charge periods – Existing loans – Health issues – New acquisition costs – Tax law changes – Settlement options – Interest rates • And other reasons for exchanging: <ul style="list-style-type: none"> – Secondary guarantees and no-lapse premium guarantees – Escalating premiums to keep policy in-force – Lower mortality tables may equal lower costs – Need for living benefits – Financial health of insurer

* Available from Lincoln.

Put Lincoln Wealth Protection Expertise to work for you. Start by making Policy Review part of your best practices. Contact your representative.

The value of partnering with Lincoln Financial Group

Lincoln Financial Group delivers sophisticated strategies and products for the creation, protection and enjoyment of wealth. We are committed to helping Americans plan for retirement, prepare for the unexpected, and protect their wealth from five key financial challenges: taxes, long-term health costs, longevity, inflation, and market risk.

Rely on Lincoln for the knowledge and experience to help you address these challenges. Lincoln Wealth Protection Expertise combines state-of-the-art products, seasoned wholesalers and specialists, and powerful visualization tools to assist you in protecting client wealth and planning financial outcomes.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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LCN-1187579-050115
POD 4/16 Z05

Order code: LIF-PR-BRC004



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Products, riders and features are subject to state availability. Limitations and exclusions may apply. Check state availability.

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PACIFIC LIFE

FIELD
GUIDE



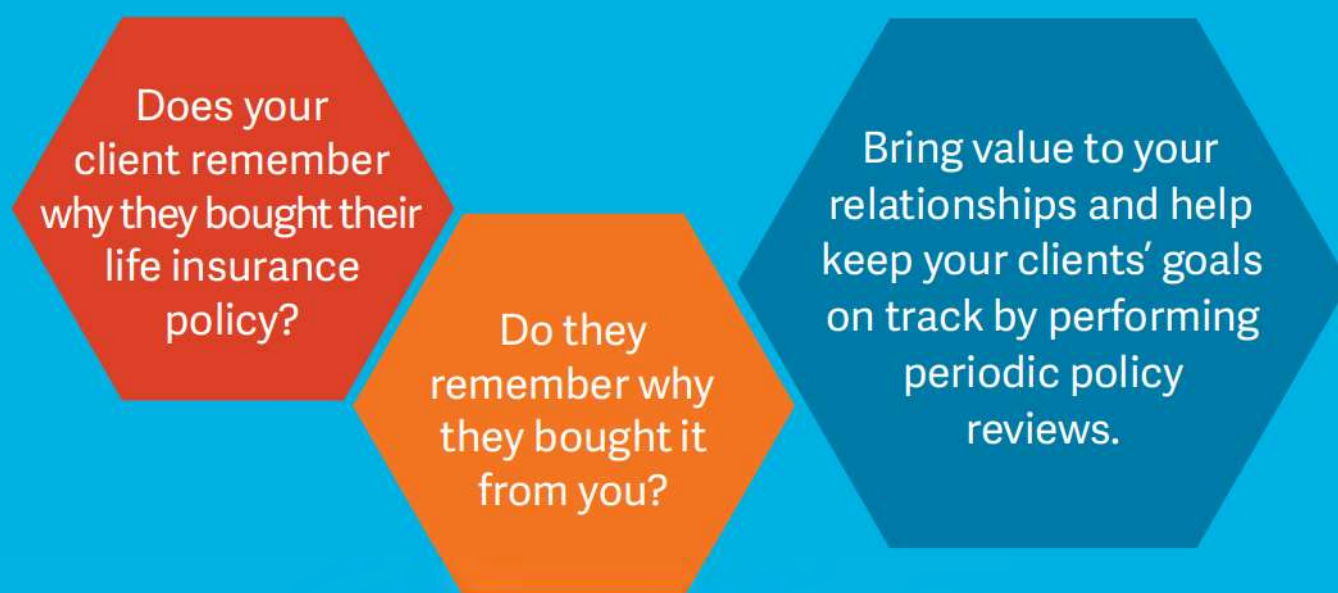
PL PROMISE LIFE INSURANCE CHECKUP



**LIFE
CHANGES FAST.**
Help ensure their
death benefit
protection
keeps up.



Odds are, your clients are among the 1 in 2 Americans with a life insurance coverage gap.¹ In fact, half of Americans who need more coverage are existing policyowners.¹ Which means they own life insurance, just not enough. A life insurance policy review can help you close the gap.



● — Learn How in 5 Easy Steps —>

BENEFITS OF POLICY REVIEW:

- Help protect client's beneficiaries from the financial impact of the client's premature death.
- Update policy beneficiaries.
- Consider advancements in product design, underwriting efficiencies, tax laws, and more.
- Identify and correct underperforming policies before it's too late.
- Strengthen relationships and potentially increase referrals and sales.
- Maintain assets under management.
- Provide superior service.

¹ Source: "Turn Up the Volume \$12 Trillion Sound Opportunities," LIMRA, Dec. 2016.

5 EASY STEPS TO A LIFE INSURANCE CHECKUP





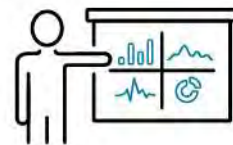
Look for these ideal timing triggers, which may signal it's time for a policy review.

Ideal Timing Triggers

- Major life events, like marriages, births, or deaths in the client's family
- Federal or state tax law changes
- Life insurance industry and product developments
- Significant underwriting efficiencies or new mortality assumptions based on longer life expectancies
- Carrier financial stability downgrades, increasing cost of insurance or other policy charges, or lowering current interest crediting rates



2 / PREPARE FOR CLIENT MEETINGS



Before the meeting, make sure your records are up-to-date. Your goal should be to help determine the health of the policy as well as its ability to support your client's financial goals.

Request that your clients bring the following:

- Current policy information (type of policy, face amount, premium)
- Current beneficiary information
- Marital/family status
- Goals such as retirement, educational, personal
- Assets such as real estate, stocks, bonds, personal savings
- Financial obligations (mortgage, car loans, small business loans)
- Charitable intentions

Requesting Illustrations

If you are not the writing agent, your client will have to request the illustrations or sign a letter authorizing you as the new agent of record. Generally, the carrier will notify the writing agent if an illustration has been requested or a request to change to a new agent of record has been received.



3 MEET WITH CLIENTS



The more you know about your clients' financial goals, assets, and in-force life insurance policies, the better prepared you will be to help them develop strategies to protect their family. Here are sample questions to ask and points to ponder when conducting your client's policy review.

OPPORTUNITY SPOTLIGHT

The Price of a Missed Connection

What would your business look like if you lost nearly 70% of your best clients?

It's important you get to know your client's beneficiaries. After all, without a strong connection, your client's beneficiaries are likely to move their assets to another financial professional* at the death of your client and you will lose that business.

66% OF HEIRS MAY LEAVE

How many children who fire their parents' financial professional after receiving an inheritance.²

70% OF SPOUSES MAY LEAVE

How many surviving spouses (women) who change their financial professional within 12 months.³

Build a Strong Connection: Family Meetings

Helping your client orchestrate a family meeting with their policy beneficiaries can create a lifetime of good will and help to strengthen your ties with the next generation. Odds are, your clients will thank you for it.

According to a recent study, nearly half (45%) of parents who discussed future financial plans with their children felt proud about how those conversations went.⁴

Topics to Cover:

- Key responsibilities in the event of your client's death or disability.
- Roles like executor, trustee, power of attorney, guardian, and advance health care directives.
- Creation of a family mission statement to help prevent confusion as to how your client intended the assets to be used after their passing.

* In order to sell life insurance, a financial professional must be a properly licensed and appointed life insurance producer.

2 "Promises, problems on horizon as \$30T wealth transfer looms," Anna Robaton, CNBC.com, Feb. 2017: <https://www.cnbc.com/2017/02/16/promises-problems-on-horizon-as-30t-wealth-transfer-looms.html>

3 "The Intergenerational Divide: Don't Let Your Book Die With Your Clients," Legg Mason, Oct. 2017: <http://www.leggmason.co.uk/insights/docs/The-Intergenerational-Divide.pdf>

4 "TIAA 2017 Family Money Matters Survey," TIAA, March 2017.

QUESTIONS TO ASK

Asking the right questions can help you uncover the opportunities in your client's policy review.



Q: Since your policy was issued, have you had any significant lifestyle changes?

- Marriage/divorce or birth/adoption of a child?
- Job change or promotion?
- Inheritance?
- Buying/selling a business or home?
- Health change for you or your spouse?
- Started or stopped any risky hobbies?

Q: How about your financial goals and debt obligations?

- Charitable intentions?
- Estate planning?
- College expenses?
- Special needs planning?
- Any new debts (car loans, small business loans, credit cards)?

Q: Do you have income-generating assets?

- Has your financial professional provided you with a tax analysis on your 401(k) and other assets?
- Consider things like investment real estate, stocks, bonds, and personal savings.
- What's your income tax bracket?
- Will the income you draw from your retirement savings be taxable/non-taxable?
- Rate of return?
- Are you maxing out your qualified plan contributions?

Q: Long-term care?

- How do you plan to protect your retirement savings and estate from long-term care expenses?
- Do you now or will you need to take care of aging parents?

Q: Real estate?

- Do you have a plan in place whereby taxes will be paid for your estate rather than from your estate?
- As part of that plan, do you have an irrevocable life insurance trust (ILIT)?

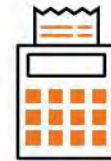
Q: Do you hold ownership interest in a business?

- Do you have a written business succession plan to cover your retirement, death, or disability?
- How will you protect your profits if you lose a key employee?
- Do you pay tax on retained earnings in your business?

Q: Is your life insurance up-to-date?

- Up-to-date beneficiaries?
- Adequate coverage amount?
- Is this the right type of policy for you (term/cash value)?
- Can the same coverage be met at a lower price?
- Have policy features or benefits changed or are more attractive ones now available?
- How about the ratings and financial status of the issuing company?
- Will the policy stay in-force for as long as intended?

4 / CALCULATE LIFE INSURANCE NEED



Once your client meeting has concluded, you will need to calculate your client's life insurance need. Communicate to your client that you will need some time to prepare a recommendation.

The following factors may influence your client's life insurance needs:

- Final expenses and funeral costs
- Income replacement
- Marginal tax rates
- Mortgage and other household debts
- Potential college costs
- Savings and investments
- Current retirement savings
- Estimated inflation rate
- Estimated return on investments on outside assets
- Current in-force life insurance

HELP CALCULATING THE NEED

To help calculate your client's death benefit need, we offer online calculators at www.PacificLife.com.



5 / DELIVER RECOMMENDATION



The final step in a life insurance checkup is to deliver a recommendation. Depending on your clients' goals, financial situations, and current coverage, you will likely make one of the following recommendations:

- ☐ **No change is needed. Reaffirm that your clients' needs and policies are aligned and encourage them to call you if they experience a major lifestyle change before their next policy review.**
- ☐ **Update the life insurance policy beneficiary or beneficiaries.**
- ☐ **Purchase additional life insurance coverage.**
- ☐ **Reduce the death benefit.**
- ☐ **Transfer the policy to an irrevocable life insurance trust (ILIT).**
- ☐ **Exchange the existing policy for a new policy.**

There are circumstances in which replacing your client's existing life insurance or annuity can benefit your client. As a general rule, however, replacement is not in your client's best interest. You should make a careful comparison of the benefits and costs, including any surrender charges, of your client's existing policy and the proposed policy to analyze how a replacement may affect your client's plan of insurance. You should provide this detailed information to your client and discuss whether replacement is in your client's best interest.

Make sure that your clients know what to expect next. Send a follow-up communication recording the calculated death benefit need for your client and your policy review recommendation.



**Contact your
Pacific Life
representative.
We have tools
to help!**

GET HELP FROM PACIFIC LIFE EXPERTS

SALES SUPPORT



MARKETING TOOLKITS



COMPETITIVE INTEL



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or (844) 238-4872, Option 3

THE POWER OF PACIFIC

At Pacific Life, putting customers first has allowed us to serve families and businesses successfully for over 150 years. As part of a mutual holding company structure, we have no publicly traded stock, so we can focus on long term strategies, financial strength, and the best interest of our policyowners.

You and your clients, our policyowners, are at the heart of the business decisions we make.



Buying
life insurance
is a long-term
commitment. The
company your
clients choose
matters.

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Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges.



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Pacific Life's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some selling entities may limit availability of some optional riders and investment options based on their client's age and other factors. Your life insurance producer can help you determine which optional riders are available and appropriate for you. Your broker-dealer or firm can help you determine which optional riders and investment options are available and appropriate for your clients.

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Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value

Life insurance client review

A sales strategy to help you succeed

QUICK LOOK

Life insurance is a key part of your clients' financial plans. However, when not reviewed frequently, it may no longer meet their needs. With a client review, you can help your clients make the best use of their premium payments and any accumulated cash values. Life changes, and insurance products change over time, so it's important for you to have a regular client review practice in place. Plus, it can open doors and help you further build credibility with your clients.

THE STORY

Mark is a 57-year-old sales manager at a large manufacturing company. In 1985 he purchased a \$50,000 whole life insurance policy before he and his wife were expecting their first child.

Mark only thought about the policy when it came time to pay his \$595 annual premium. Over the years, though, Mark and his wife had two more children and bought a larger home, and he has been promoted several times.

With his three children now out of the house and living on their own, Mark's needs have significantly changed. He recently received his annual policy statement and is wondering if there is anything he can do with his policy. It has a cash value totaling \$20,000, and Mark wants to explore his options.

A SOLUTION

Mark meets with a life insurance agent, and they decide to look at three options. He's rated as Preferred Non-Tobacco.

Option 1: Can Mark retain the same coverage amount, but at a lower cost?

Using North American's Custom Guarantee® universal life insurance product, Mark is able to 1035 exchange the remaining \$20,000² of cash value and guarantee \$51,480² of death benefit to age 120 with no future premiums!

Option 2: Can Mark find a policy that offers more coverage for the same premium? Option 3: Can Mark find a policy that offers more coverage plus cash value accumulation for the same premium?

For this scenario, the agent looks again at North American's Custom Guarantee. Mark is able to 1035 exchange the remaining \$20,000² of cash value, pay the same \$595 annual premium, and guarantee \$102,409² of death benefit to age 120.¹ That's over twice the death benefit with the same annual premium!

Option 3: Can Mark find a policy that offers more coverage plus cash value accumulation for the same premium?

To help build cash value and guarantee the death benefit,¹ the agent looks to North American's Guarantee Builder IUL® indexed universal life insurance product. In this option, Mark is able to 1035 exchange the remaining \$20,000 of cash value, pay the same \$595 annual premium, and guarantee \$101,569² of death benefit beyond age 100, while having nice cash accumulation potential. This gives Mark both a guaranteed death benefit and potential cash value accumulation.

Need help with your client review cases?

Contact sales development today at 800-800-3656 ext. 10411
or email salesupport@nacolah.com.

The information presented is hypothetical and not intended to project or predict investment results.

¹ Subject to premium payment requirements.

² Source: North American illustration software on iPipeline 8/22/2018.

Indexed Universal Life products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

Custom Guarantee UL is issued on policy form series LS170, Guarantee Builder IUL is issued on policy form series LS175; or state variations by North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Product features, riders, endorsement or issue ages may not be available in all jurisdictions. Restrictions and limitations may apply.

We're Here For Life®

northamericancompany.com

Client review

Client profile

Name: _____ Agent code: _____

Email: _____ MGA: _____

Not only does life change, but life insurance products change over time. That's why it's important for you to have a regular client review practice in place. Trust, credibility, and long-term relationships are just the beginning to the benefits of scheduling reviews.

Help your clients keep their life insurance protection current

If your clients have any of these life changing events...

- New child or grandchild
- New job
- Inheritance
- Major investment gain/loss
- Health concerns
- Change in marital status
- Change in estate plan
- Sales or purchase of a home
- Start/purchase a business
- Sold or acquired assets
- Death of family member
- New investments
- Retirement
- Gain/loss of business partner

... It may be time to schedule a North American client review.

List the names of five clients who fit the above profile and whom you would like to help meet their life insurance needs and financial goals.



Client name: _____ Age: _____ Gender: _____ Tobacco: Y/N _____ State: _____
Premium amount: _____ Retirement age: _____

Client name: _____ Age: _____ Gender: _____ Tobacco: Y/N _____ State: _____
Premium amount: _____ Retirement age: _____

Client Name: _____ Age: _____ Gender: _____ Tobacco: Y/N _____ State: _____
Premium amount: _____ Retirement age: _____

Client Name: _____ Age: _____ Gender: _____ Tobacco: Y/N _____ State: _____
Premium amount: _____ Retirement age: _____

Client Name: _____ Age: _____ Gender: _____ Tobacco: Y/N _____ State: _____
Premium amount: _____ Retirement age: _____

We're Here For Life®

northamericancompany.com

PLAN TODAY FOR A HEALTHY TOMORROW

ANNUAL LIFE INSURANCE REVIEW



TRANSAMERICA®

Insurance / Investments / Retirement

CLIENT INFORMATION

Client name(s) _____

Date(s) of birth _____

Date of review _____

IMPORTANT NOTE:

This form is intended to assist policy owners in a review of their arrangements for disposition of their assets upon their death. It is not intended to be estate planning, financial planning, or to offer legal advice. If legal, tax, accounting, or other professional services or advice is needed, the services of a competent professional should be sought.

STRICT CONFIDENTIALITY

The data contained in this form shall be held in strict confidence and may not be shared with any other person, or organization, including legal, tax, or accounting professionals without the prior authorization of the client.

Full name _____

Home address _____

Business address _____

Occupation _____

Approximate annual income _____

Date of birth _____

Have you ever changed your state of residence? Y or N _____

If yes, when? _____

Are you divorced? Y or N _____

Year of divorce, if applicable _____

Full name of spouse _____

Spouse's date of birth _____

Review the following life changes that you may have experienced. Check all that apply.

- _____ **Marital status:** marriage, divorce, death of spouse
- _____ **Dependents:** birth, adoption, children have left the household
- _____ **Income:** salary increase/decrease, retirement, inheritance
- _____ **Expenses:** funds needed for college education, retirement, support for special needs or elderly family
- _____ **Home:** bought or sold
- _____ **Business:** started new, currently own, or sold existing
- _____ **Health:** nicotine use, weight loss/gain, any positive/negative health developments

CHILDREN OF CURRENT MARRIAGE

(if applicable)

1. Full name _____
Home address _____
Phone _____
Birthdate _____
2. Full name _____
Home address _____
Phone _____
Birthdate _____
3. Full name _____
Home address _____
Phone _____
Birthdate _____
4. Full name _____
Home address _____
Phone _____
Birthdate _____



CHILDREN OF PRIOR MARRIAGE

(if applicable)

1. Full name	<hr/>
Home address	<hr/>
Phone	<hr/>
Birthdate	<hr/>
2. Full name	<hr/>
Home address	<hr/>
Phone	<hr/>
Birthdate	<hr/>
3. Full name	<hr/>
Home address	<hr/>
Phone	<hr/>
Birthdate	<hr/>
4. Full name	<hr/>
Home address	<hr/>
Phone	<hr/>
Birthdate	<hr/>



NAMES AND AGES OF GRANDCHILDREN

(if applicable)

NAMES OF CLIENT'S PARENTS

(if deceased, please indicate)

Name(s)

Home address

Age(s)

Phone

NAMES OF SPOUSE'S PARENTS

(if deceased, please indicate)

Name(s)

Home address

Age(s)

Phone

Other relatives and individuals who are part of your disposition plan.

ADVISOR INFORMATION

Guardians of minor children

Address

Phone

Executor of your will(s)

Address

Phone

Your attorney

Address

Phone

Your accountant

Address

Phone

Financial professional

Address

Phone

Other

What would you like to achieve as a result of this insurance review?

EXISTING LIFE INSURANCE POLICY INFORMATION

Agent/Broker				
Client				
Carrier				
Policy type (term etc.)				
Policy number				
Face amount	\$	\$	\$	\$
Date of issue / policy status				
Date of birth / Gender				
Issue rating / Smoking status				
Name of owner				
Beneficiary				
Assignments				
Premium / Frequency				
Riders				
Loans / Withdrawals				
Participating / Dividends				
Interesting crediting rates				
Current policy value	\$	\$	\$	\$
Current surrender value	\$	\$	\$	\$
Cost basis or net cost basis (less COIs)				
Original purpose of insurance				

Comments and/or observations

EXISTING DISABILITY INCOME INSURANCE INFORMATION

Agent/Broker				
Client				
Carrier				
Policy number				
Elimination period				
Type of disability policy				
Monthly benefit	\$	\$	\$	\$
Date of issue / Policy status				
Date of birth / Gender				
Issue rating / Smoking status				
Name of owner				
Beneficiary				
Assignments				
Premium / Frequency				
Riders				

QUALIFIED PLANS AND IRAS

Type of plan	Employer or provider	Plan Balance	Current primary beneficiary	Desired primary beneficiary	Contingent beneficiary	Change needed (Y or N)

DEPOSIT ACCOUNTS

Name of Bank	Type of Account	Balance	Maturity date (if any)	Desired primary	Contingent	Change needed (Y or N)

Comments and/or observations

OTHER INVESTMENTS (stocks, mutual funds, real estate, and other investments)

Name of Bank	Type of Account	Balance	Maturity date (if any)	Desired primary	Contingent	Change needed (Y or N)

Comments and/or observations



LIABILITIES

Type of loan	Payment/Frequency	Balance	Interest rate	Targeted payoff year

Comments and/or observations

YOUR WILL

Do you have a will? Y or N

Does your spouse have a will? Y or N

If yes, complete the balance of this section. Otherwise proceed to **"YOUR TRUST."**

Year will was signed by: Client _____ Spouse _____

Year will was last updated: Client _____ Spouse _____

State in which will was executed: Client _____ Spouse _____

Assets passed by your will (indicate estimated value)

Personal property _____ Real Estate _____

Investments _____ Collections _____

Other assets - List key assets and estimated value:

Other will provisions

Names of guardians _____

Trust created _____

Other _____

Do you own a business interest? Y or N If yes:

Business name and type of business _____

Estimated value owned by you and your spouse

Buy and sell arrangement in force? Y or N

Date of buy and sell _____ Last reviewed on _____



Consult your attorney with regard to changes or updating or review of your will or other legal documents.



YOUR TRUST

Do you have a trust? Y or N If yes, complete the balance of this section.

Otherwise proceed to **"JOINT TENANCY."**

What is the purpose of your trust? _____

Year trust was completed _____ Last reviewed on _____

Name of trust _____

Name of trustee _____

List trust beneficiaries _____

Assets payable to or owned by the trust. List key assets and approximate value.



Consult with your attorney with regard to updating or reviewing your trust.



JOINT TENANCY

List all property owned jointly with others:

Property description	Approximate value	Names of joint owners	Change needed (Y or N)

Comments and/or observations

Other Information

This space is for any other information which may be relevant to the beneficiary review.



CLIENT REVIEW

The sales representative has reviewed my current policy and we have discussed the options available to me. I understand that the illustrations we discussed are not contracts and that any non-guaranteed elements are subject to change and could be either higher or lower. The sales representative has told me that they are not guaranteed. Specifically, I understand that credited interest rates can vary, as determined by the company and that current monthly deduction rates can change, as described in the policy, but will never exceed the guaranteed maximum rates shown in the policy. As a result, I understand that in the future I may need to increase my planned premium in order to keep the policy in force.

Client signature _____

Date _____

* If you are considering replacing your life insurance policy, consider whether there are surrender charges on the existing contract and any new surrender charge schedule on the new contract, as well as any tax consequences of the exchange. Also, consider whether your premiums will be higher if your health has declined since the purchase of your current policy.

NOTES

AUTHORIZATION LETTER INSURANCE/BENEFIT

Attention: Policyholders Service Department

I have contracted (agent name) of (company name) address listed above, to analyze my total personal and/or business financial situation and make recommendations based on this analysis.

To enable (company name) to properly do this, they need to make inquiries to you concerning my personal financial affairs.

I hereby authorize you to give any information, on a timely basis, to (company name) personnel for which they may ask. Your cooperation in this matter will be greatly appreciated.

A photocopy of this authorization shall be as valid as the original and honored as such.

Please attach a current updated in force ledger and the information requested below.

Client signature _____ Client signature (spouse) _____

Date signed _____

Policy number _____ Face value _____

Policy owner _____

Primary beneficiary _____

Contingent beneficiary _____

Cash value _____ Dividends _____

Annual premium _____ Riders _____

Outstanding loans on life insurance policies

Policy number amount outstanding interest rate

HELP KEEP CLIENTS IN GOOD FINANCIAL HEALTH



Give clients the opportunity to review their life insurance coverage.

Life changes, and so do life insurance policies.

WHY CONDUCT A LIFE INSURANCE CHECKUP?

Clients regularly review financial goals, but often forget to update their life insurance coverage. Financial and family situations change over time, and life insurance coverage should be reviewed periodically to keep up with those changes.

PROSPECT CHECKLIST



Good candidates for an insurance checkup are individuals who have had recent life or financial changes. Here are a few questions to ask clients that can help guide your review:

- ☐ Recently married or divorced?
- ☐ New baby?
- ☐ Recent death of a spouse or child?
- ☐ Purchased a home?
- ☐ Has/have the policy/policies ever been reviewed?
- ☐ Is the client currently a business owner?
- ☐ Does the policy have an outstanding loan?
- ☐ Has the client recently started or sold a business?
- ☐ Has the client recently received an inheritance?
- ☐ Does the client support anyone with special needs or an elderly family member?
- ☐ Has there been a change in employment or salary?
- ☐ Have any children left or returned to the household?

THREE SIMPLE QUESTIONS

The following questions will help clients determine if their current coverage is still adequate, estimate how much life insurance they may need today, and consider alternative payment options to their beneficiaries.

- If you died today, how much money would your family need to cover the funeral, any medical bills, and other immediate expenses?
- How much financial assistance would your family need each month if you passed away, and for how long?
- Do you need to structure regular payments or distributions of the death benefit to your beneficiaries?

OTHER IMPORTANT AREAS TO EXPLORE WITH CLIENTS

- Do existing life insurance policies coincide with current needs?
- Whether term policy premiums are about to increase
- Whether the client's long-term life insurance needs require a permanent policy
- Is there a need for more flexibility in the client's life insurance policy?
- Is the client interested in additional features such as a Long Term Care Rider or living benefits?

5 STEPS TO CONDUCTING A LIFE INSURANCE CHECKUP

- 1 Collect copies of current policy(ies).
- 2 Determine face amount, cash value, annual premium, surrender period, amount of any outstanding loans, and ownership and beneficiary information.
- 3 Follow Prospect Checklist to see if any life changes affect the amount of coverage desired.
- 4 Follow worksheet to determine how much coverage is currently desired.
(Include amounts needed for checklist items in worksheet.)
- 5 Compare the worksheet results to coverage in existing policy(ies) to identify options for supplemental, conversion or replacement policy(ies).

Need assistance or want to learn more?

Contact our sales desk at 866-545-9058.

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DECEMBER 31, 1969 By Roger Wohlner



How to Construct an Annual Review for Clients

One of the best things that financial advisors can provide to clients is an annual review of their financial situation. While this may seem intuitive, not all advisors do it.

These sessions are beneficial for both the client and the financial advisor. While, ideally, there is ongoing communication all year long, a face-to-face meeting devoted to discussing where the client is and what might have changed over the past 12 months can lead to a much more in-depth conversation than a quick email or phone call.

Here are some points for conducting a meaningful client financial review, along with a laundry list of questions that should be answered during such a meeting.

Reviewing a client's portfolio is certainly a key reason to conduct a financial review. The review leads to a discussion of how the client is doing compared to her financial plan, and how she's progressing towards her various goals, such as saving for retirement and college.

It is beyond these obvious topics, however, where the real value in these meetings lies. You need to ask the client what is going on in her life to determine how that might impact what you are doing for her. Key information might include her current employment/career situation, any health issues, or any changes in the client's feelings toward risk.

This is one of the most important elements to review. Is the client's allocation within the target ranges outlined in the investment plan? Especially with the [volatility in the markets so far in 2016](#), it wouldn't be surprising if the portfolio needed to be rebalanced back into the target range.

Moreover, does the target asset allocation still fit his or her situation? Is the client expressing a level of discomfort with the historic stock market declines we've seen at the start of 2016?

While tax considerations should not drive investment decisions, tax planning is nonetheless important. Are the client's assets located in the appropriate accounts? For those with charitable inclinations, are there appreciated securities that could be used to make donations in a tax-efficient manner?

Has the client's income changed significantly? If his or her income will be lower this year, perhaps a conversion of some of his or her [traditional IRA](#) assets to a [Roth IRA](#) might be appropriate.

The [2015 tax-extender or PATH legislation](#) made some provisions permanent, and extended others. Among the provisions made permanent was the qualified charitable deduction (QDC) provision for [required minimum distributions](#) for those aged 70.5. This is a nice planning tool for those clients who may be charitably inclined, and don't need some or all of their distribution amount.

There were several provisions included that impact small businesses.

This is often an area that gets pushed to the side if for no other reason than that many clients don't like to think about their own mortality. Still, you must ensure that the client's desires for the distribution of their assets would be met were they to die suddenly. Some of the issues can be easily remedied—such as making sure that beneficiary designations on [retirement](#) accounts and life insurance policies are up to date and reflect the client's current wishes.

Ensuring that beneficiary designations on all retirement accounts, relevant employee benefits, life insurance policies, and other vehicles where benefits pass via such a designation is critical, and should be reviewed periodically. These instruments rely on the beneficiary designation and not on what is in the client's will.

Also, to ask: Has the client's family situation changed? Is there another child or grandchild to be accounted for? Did the client get married? Did the client get divorced? Did his or her spouse die?

In the case of clients with children who are minors, they must have a designated guardian for those children in the event of the client's death. Financial advisors should urge them to have this in written form in their [estate planning](#) documents and to be sure to review this with the client(s) periodically to ensure that they remain willing and able to assume this role if ever needed.

Regardless of the client's age, there is invariably some retirement-planning issue to address.

For clients in the accumulation stage—are they on track toward accumulating enough for retirement? While this number might be tough to nail down for clients who are 20 or more years away from retirement, what is critical is to ensure that clients are saving as much as possible via their [401\(k\) plans](#) and other vehicles, to provide a reasonable shot at a solid retirement.

For clients who are within ten years of retirement, the questions are more critical and concrete. Does the client have a fairly clear picture of what his retirement will look like? How long would he ideally like to work? How much will his lifestyle cost?

Will the recent changes to couples' Social Security [claiming strategies](#) affect retirement plans? How will they pay for healthcare costs in retirement?

Financial advisors should be ensuring that clients at this point in life have their arms around all potential sources of retirement income. Beyond 401(k) accounts, IRAs, and taxable investments, pensions and Social Security should be considered. Is the client eligible for a pension from an old employer? Have they been in contact with that employer to ensure that the company knows where to contact them when the time comes to making decisions as to how they will draw on that pension?

Does the client have adequate life insurance for her situation? Younger parents typically need a large death benefit, and some form of term insurance is often appropriate.

Older clients may need to ensure adequate retirement income for a surviving spouse, or estate planning purposes. In the latter case, the [death benefit](#) might be needed to cover estate taxes for clients with larger estates. Financial advisors can play a key role in helping clients secure the right amount and the right type of policy to meet their needs.

Clients in their working years should have disability insurance, whether via their employer or via private insurance. Lastly, don't neglect policies that protect the client's home and liability.

Sitting down with clients to do a formal review of their overall financial situation is valuable for both the client and the financial advisor. The client gets a comprehensive picture of whether he or she is on point with a financial plan. The advisor gains insights into the client's attitudes and learns where and how to advise him in terms of helping him achieve his financial goals.



JULY 15, 2016 By Warren S. Hersch



Life insurance policy reviews: 6 key questions explored | ThinkAdvisor

Reviewing a client's or prospect's [life insurance](#) coverage needs might seem straightforward.

But too often, agents and advisors overlook critical questions that can result in a poor product recommendation — one that fails to meet income replacement, living benefit, wealth transfer or other planning needs.

To get better acquainted with policy review issues, *LifeHealthPro* interviewed Palmer Williams, a national sales director at [Saybrus Partners](#), a provider of insurance and annuities solutions. The conversation explored issues germane to determining the appropriate policy size and type. Among them:

- - Client goals and objectives;
 - Policy risks connected with increasing life expectancies;
 - Scenarios suitable for permanent insurance and life settlements;
 - The value of hybrid products boasting long-term care; and
 - Chronic illness riders.

Keep reading for interview excerpts...



LHP: What are the top issues advisors should explore in policy reviews with clients and prospects?

Williams: Advisors should use these conversations to make sure that clients have the right amount and right type of life insurance. [LIMRA](#) states that less than 6 in 10 individuals own life insurance. They note also that half of all households would feel the impact of the loss of a primary wage-earner within a year of his or her passing. Many individuals may not have enough life insurance to be able to meet and accomplish their goals for their family.

There are 5 parts of a policy review discussion:

1. Ascertaining clients' goals and objectives;
2. Determining the right amount coverage;
3. Identifying the right type or types of life insurance;
4. Evaluating existing life insurance through a stress test; and
5. Exploring whether a new policy would be appropriate.

As to the first, advisors need to consider how clients' financial situation has changed since they last obtained a life insurance policy — assuming they have one. They should determine whether they're insurable and, if so, at what premium level. Also, (they should consider) life events, such as the birth of a child, that might affect the amount of life coverage required.

In respect to the amount of coverage, many insurers and distribution partners now offer producers tools to do an income replacement needs analysis, including expenses to be paid for in the event of a primary wage-earner's death. In other cases — funding a buy-sell agreement between business owners or equalizing an estate among heirs — a different analysis can be used to ascertain the appropriate face amount.

For many of those in the middle market, [term life insurance](#) will be the appropriate solution. In situations where the client desires to pass on assets to the next generation, permanent life has a role to play. Often, too, a blend of term and permanent insurance will be needed to adequately cover both income replacement and wealth transfer objectives.

Related: [Learning about your customers, one quarter at a time](#)



LHP: For what other purposes might a middle class household favor permanent insurance?

Williams: Many permanent life insurance policies now can be offered with an [optional rider](#) to cover long-term care or chronic illness expenses. The policy's cash value can also provide supplemental retirement income on a tax-advantaged basis.

But for this purpose, you'd want a high cash value policy funded with the maximum-allowed premiums — just below the point where the life insurance would, for IRS purposes, be deemed a fully taxable modified endowment or MEC. These policies make sense for more affluent clients who have maxed out on contributions to a 401(k) and individual retirement accounts and need an additional vehicle for investing supplemental savings on a tax-advantaged basis.

As to the type of permanent policy — [whole life](#), universal, indexed UL or variable universal life — the advisor will have to gauge the client's risk tolerance level. For those not comfortable with stock market volatility, VUL likely won't be appropriate.

Related: [Not all life insurance loan provisions are created equal](#)



LHP: Tell me about the stress test for existing life insurance coverage. What's involved?

Williams: The advisor should examine a policy's existing terms and conditions and an in-force illustration: a snapshot in time showing how the policy has performed since it was purchased and projecting how it will perform in the future. Two parts of the stress don't always get much attention: (1) the [beneficiary](#) designations; and (2) contract provisions respecting the death benefit and cash value at the time the policy endows.

As to the first, as a family's situation changes, beneficiaries may need to change. In one case I was involved with, an ex-wife sought to collect on a life insurance policy of a former husband who had not changed the contract's beneficiary designations. So she received the death benefit.

Secondly, for UL and VUL contracts issued prior to 2004 and that endow at age 100, it's important to understand what happens to the policy when it reaches maturity. Consider a UL policy with a \$500,000 death benefit but only \$30,000 in cash value on the policyholder's 100th birthday. At that time, the policy endows and the policyholder will — absent a maturity rider providing for payout of the death benefit — receive the lower cash value and the policy will cease.

Many clients underestimate their chances of living to age 100. They shouldn't: The World Health Organization (WHO) says the number of [centenarians](#) between 2010 and 2015 increased 10-fold. So the chance of an age-100 problem happening for clients with existing coverage is significant enough that it warrants an analysis — at a time when they're young enough to be able to make policy adjustments.

Related: [Report: life insurance policy lapse rates at a 20-year low](#)



LHP: What about a life settlement — selling the policy on the secondary market for an amount that's less than the death benefit, but more than the cash surrender value. When might this be a viable option for policyholders?

Williams: We at Saybrus Partners don't participate in the life settlement market, but we do encourage clients who no longer need or can no longer afford life insurance to explore all options.

A life settlement may be appropriate for, say, owners of no-lapse guaranteed UL policies that have a substantial face amount, but little or no cash value. If these policies are allowed to lapse, the policyholders will have lost all the premiums paid. But when discussing a life settlement option, a client needs to have a conversation with both the life insurer and a CPA or tax attorney to ascertain the tax and other ramifications.

Related: [Life settlement market positioned for long-term growth](#)



LHP: Let's turn to long-term care and chronic illness riders available on permanent life policies. What should advisors talk about in connection with these options?

Williams: A key part of the insurance planning discussion is to help the client understand unexpected medical costs in retirement. Seven in 10 clients over age 65 will need some type of [long-term care](#). That doesn't mean they will be on a long-term care claim, but 7 in 10 will have a long-term care event, one that will likely significantly impact the client's financial picture.

Given this high probability, advisors should broach with them 4 options:

1. Self-insuring from existing assets;
2. Buying a traditional long-term-only policy;
3. Purchasing a combo life/LTC policy; and
4. Buying a permanent life policy without an LTC or chronic care rider, assuming the client is not eligible to qualify for LTC benefits.

Among these four options, the third is often the most favored, compared with a standalone LTC-only policy. That's because the combo product will always pay out: Either the insured will receive a long-term care benefit or surviving family members will get the death benefit at the insured's passing.

Related: [6 guaranteed minimum living benefit riders](#)



LHP: What guidelines do you recommend advisors follow when evaluating life/LTC combo products?

Williams: Very good question. There are three things to consider, starting with what happens when the insured submits a claim.

Many riders on hybrid products stipulate that if the insured experiences cognitive impairment or can't perform 2 of 6 activities of daily living (ADLs), then they're eligible to receive an LTC benefit. The key question here is, how long is the insured going to be incapacitated. The better life/LTC combo products stipulate a 90-day waiting period; others require that both a physician and the insurer certify the insured's condition will last for his or her remaining life. That's a big difference.

Second, the advisor needs to determine how an LTC claim will be paid: whether in the form of an indemnity or as reimbursement for actual LTC expenses incurred. The first is more flexible because the LTC benefit can be used to pay anyone, even those who are not long-term care professionals.

Thirdly, the advisor should determine if the policy can help fund a long-term care coordinator, someone who can:

- Assess care long-term care needs;
- Create a suggested care plan;
- Identify local care providers, such as home care agencies, assisted living facilities and adult day care;
- Negotiate for discounts on care; and
- Locate public resources that might supplement paid caregiving coordination.



DECEMBER 31, 1969



How to Perform a Life Insurance Review - New Age of Advice

Business Building

By J Maciolek

Posted Jan. 14, 2020

Policy Review Worksheet

Why it Matters:

- Life is always changing, and so are the needs of your clients.
- Having a full-picture understanding of a client's financial life can help you offer comprehensive guidance.
- Checking in with clients on a regular basis can help build trust and strengthen your relationship.

Are you sure your clients have adequate life insurance protection should the unexpected happen?

While many will regularly review their financial goals and investments, clients typically forget to update their life insurance coverage. Others often wrongly assume their current life insurance policies are sufficient and appropriate for all the stages in their lives.

But, as everyone knows, life happens, and new protection options change over time. Unless your client is a family member or close neighbor, there's little chance you know everything that might've changed in their lives in the last year.

That's why a periodic review of a client's family and financial situation is so important to provide top-notch service and strengthen client relationships.

Clients tend to be very receptive to a review. In fact, many people want to meet with you and are open to your assistance. Millennials are the most likely to want to meet with a financial professional before purchasing life insurance (73%), compared with Gen X (64%) and Boomers (69%).¹

Prospect checklist

Some life changes are more likely than others to create financial vulnerability. Here are a few questions to ask clients to discover circumstances that may have changed since your last meeting:

- Are you recently married or divorced?
- Have you had a baby?
- Have you experienced the death of a spouse or child?
- Have you purchased a home?
- Has/have your life insurance policy/policies ever been reviewed?
- Are you currently a business owner, or recently started or sold a business?
- Have you recently received an inheritance?
- Do you need to plan for retirement or fund college education?
- Do you support anyone with special needs or an elderly family member?
- Has there been a change in employment or salary?

- Have any children left or returned to the household?

Three simple questions to ask

Most clients need help to determine if their current coverage is still adequate or to estimate how much life insurance they may need at this time in their lives. Plus, you'll want to discuss how the death benefit proceeds are to be distributed to their beneficiaries. Here are three simple questions to get you started:

1. If you died today, how much would your family need to cover the funeral, any medical bills, and other immediate expenses?
2. How much income would your family need each month if you passed away, and for how long?
3. Do you need to structure a plan for payment of the death benefit to your beneficiaries?

Other important areas to explore with clients:

- Do existing policies coincide with current goals?
- Term life policy premiums may be about to increase.
- Do the client's long-term goals require a permanent life insurance policy?
- Is there a need for more flexibility in the client's life insurance policy?
- Is the client interested in additional features such as a long term care rider or living benefits?
- What is the current insurer's financial strength rating?

Five steps to conducting a life insurance review

1. Get copies of your clients' current policies.
2. Determine the face amount, cash value, annual premium, surrender period, amount of any outstanding loans, and ownership and beneficiary information.
3. Review the questions from the prospect checklist above to see if any life changes affect the amount of coverage desired.
4. Use our [worksheet](#) to determine how much coverage is currently desired. (Include amounts needed for checklist items in the worksheet.)
5. Compare the worksheet results to coverage in existing policy(ies).

If the old saying "the only thing constant in life is change" is true, it's all the more reason to make sure you're periodically reviewing your clients' needs. Download our [review worksheet](#) to ensure your clients are as protected today as they were the last time you met.

Things to Consider:

- Reach out to clients you haven't talked to in a while.
- Set up yearly reminders in your calendar to prompt for an annual review with clients.
- If needed, have clients provide copies of policies before your meeting so you have time to review them and check for financial holes.

▪
1 Facts About Life, LIMRA, 2018

IS IT TIME FOR A LIFE INSURANCE CHECKUP?



Life insurance can help protect your family or business from the financial impact of your premature death. ***But life changes fast. Make sure your policy keeps up.***

ODDS ARE, YOU HAVE A LIFE INSURANCE COVERAGE GAP



HOW MUCH MAY BE ENOUGH?

Start with Replacement Wages to Retirement Age	\$_____ x _____ Years
+ Outstanding Debts	\$
+ Final Expenses	\$
+ College Tuition and Educational Expenses	\$
+ Dependent Care (Children and Elderly Parents)	\$
- Existing Life Insurance Policies	\$
- Cash, Savings, Other Assets	\$
= Total Life Insurance Need	\$



IS YOUR POLICY UP-TO-DATE?

A life insurance checkup can help provide you with the peace of mind that your current needs are covered.

- ☐ Did you get married?
- ☐ Did you have a child?
- ☐ Did you start a business or new job?
- ☐ Did you purchase a new home?
- ☐ Did you increase your household debt?
- ☐ Did your issuing carrier have a downgrade in financial strength ratings?

Request a life insurance checkup from your financial professional.*

* In order to sell life insurance products, a financial professional must be a properly licensed and appointed life insurance producer.

1 Source: "2016 LIMRA Ownership Study," LIMRA, Sept. 2016.

2 Source: "2018 Insurance Barometer Study," LIMRA, Feb. 2018.

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For more than 150 years, Pacific Life has helped millions of individuals and families with their financial needs through a wide range of life insurance products, annuities, and mutual funds. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life counts more than half of the 100 largest U.S. companies as its clients. For additional company information, including current financial strength ratings, visit www.PacificLife.com.

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Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value



(Name)
(Agency Name)
(Street Address)
(Street Address 2)
(City, State, Zip Code)
(Phone number)
(E-mail Address)

Don't Miss Your Opportunity to Convert to a Permanent Policy from Transamerica

Dear <insert client name>:

Your term life insurance from Transamerica Life Insurance Company helps to provide financial protection for you and your loved ones, with cost-effective premiums and valuable options. One of the most important of those options is the policy's conversion feature. This is because many term policy owners ultimately decide they want the additional security and flexibility of lifetime protection that can be theirs by converting to a permanent policy. A universal life insurance policy like TransACE[®] from Transamerica Life Insurance Company offers benefits that aren't available on term policies, including lifetime death benefit guarantees, tax-deferred cash value accumulation and even exit strategies if your needs change and the policy is not needed in the future. In other words, permanent products may offer benefits that hold real value when planning your financial future.

Consider these advantages of converting your term policy¹

- No need to prove insurability again – no new medical exams will be required if the exchange is to a permanent policy with the same or lower face amount.²
- Financial benefits – access to benefits that are difficult to find anywhere else in today's economic environment.
- More product choices when you convert sooner – we offer a range of product options from which to choose to suit your specific planning goals, including guaranteed universal life (GUL), index universal life (IUL), or guaranteed whole life (GWL) products **when you convert within the first five years of your term policy and within your contractual conversion period.**

Please give us a call to discuss these term conversion privileges with you in more detail. Thank you for your business!

Sincerely,

<insert producer name>

¹Subject to age limitations and premium requirements shown in the policy. Policies have a required minimum premium for the first five policy years. If the Policy Threshold requirements are not met, then fluctuations in interest rates and/or policy charges may require the payment of additional premiums to keep the policy in force. TransACE, TransUltra[®] SP, Freedom Index Universal Life IISM and Freedom Global IUL IISM are only available if conversion occurs in the first five policy years of the term policy.

²Request to convert or exchange the term policy for a permanent policy must be dated and received prior to the expiration of the option, as defined in the term policy. The term policy must be in force in order to convert and avoid having to undergo new medical exams. *Some policies, endorsements and riders are excluded.*

TransACE[®] is a nonparticipating, flexible premium universal life insurance policy issued by Transamerica Life Insurance Company, Cedar Rapids, IA 52499. Policy Form ICC12 UL07 or UL07 (CVAT). Policy form and number may vary, and this policy may not be available in all jurisdictions. In most states, in the event of suicide during the first two policy years, death benefits are limited only to the return of premiums paid.

Spousal lifetime access trusts

Advanced planning solutions

Summary

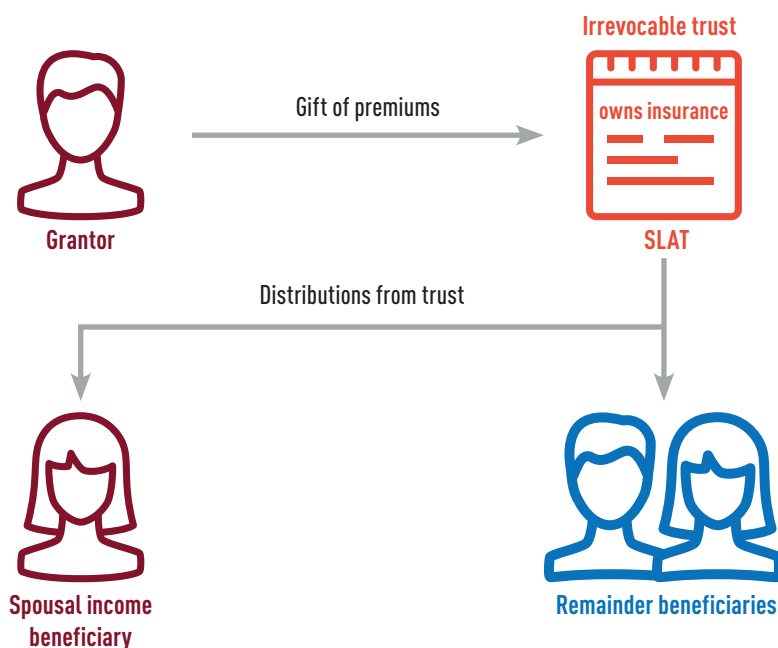
Trusts are not exclusively for the ultra-affluent. They can offer asset control, legacy protection, financial privacy, probate avoidance, and estate tax mitigation.

The spousal lifetime access trust is an irrevocable trust that provides married couples a way to pass wealth tax-efficiently to their children, grandchildren, and future generations while giving a spouse access to trust assets during and after the insured spouse's lifetime. This type of trust is typically funded with a single-life policy on the life of the grantor. By making the insured the only grantor, the spouse gains access to policy account values from trust distributions as a beneficiary of the trust, while simultaneously keeping the death benefit proceeds out of the insured's estate.

Tax considerations

- Gifts to the trust may generate a gift tax. Annual exclusion and gift tax exemption can be used to shelter gifts from taxation.
- Consult an attorney regarding the following:
 - Using a joint and survivorship policy
 - Naming the nongrantor spouse as a trustee
 - Funding the trust using split gifts
- Generally, death benefit proceeds are not subject to estate or income tax.
- Distributions to trust beneficiaries in the form of withdrawals to basis or policy loans are income tax-free.

How it works



How to implement

- Grantor establishes irrevocable life insurance trust with the spouse as the trust beneficiary.
- Grantor makes a gift of the premium amount to the trust (from separate funds).
- Trustee applies for life insurance on the grantor's life.
- Spouse has access to trust values as follows:
 - Annual access to principal (limited to the greater of either \$5,000 or 5% of principal)
 - Distributions for health, education, maintenance and support
 - Distributions by trustee discretion
- Children may receive:
 - Limited distributions during their parents' lives, as determined by the trustee
 - Distributions after the deaths of both parents

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LCN-1974627-121917

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Distributions are taken through loans and withdrawals, which reduce a policy's cash surrender value and death benefit, and may cause the policy to lapse.

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SPOUSAL SUPPORT TRUST

Strategy Summary

A Spousal Support Trust is an irrevocable life insurance trust (ILIT) created by one spouse (grantor spouse) for the benefit of the other spouse (uninsured spouse). To fund the trust, the grantor spouse makes cash gifts from his or her separate property to the trust. In some situations, such as where all marital property is community or jointly held, an agreement between spouses may be necessary to create separate property. The trustee then uses the cash gifts to purchase a life insurance policy on the life of the grantor spouse.

Why is a spousal support trust important as a legacy planning strategy?

- A properly structured spousal support trust gives clients “the best of both worlds” — access to cash values and an estate tax-free death benefit.
- A trustee may make distributions to the uninsured spouse (and/or children, if beneficiaries of the trust) based upon ascertainable standards such as health, education, maintenance and support.
- Upon death of the grantor spouse, the death benefit is paid tax-free to the trust and assets are distributed and/or held in trust according to trust terms.

Client Profile

- Married clients who need to reduce the size of their taxable estate.
- Clients wanting flexibility to access trust assets for life’s changing needs

Available Materials/Tools

Producer

- OLA 875–Spousal Support Trust Producer Guide

Why include life insurance in planning with a spousal support trust?

- **Cash value accumulation:** With a TransNavigatorSM index universal life policy from Transamerica, the client can build cash value for the benefit of the trust during grantor’s life.
- **Flexibility:** The trustee can make distributions to the uninsured spouse to provide income during the grantor spouse’s lifetime.
- **Tax-Efficiency:** Policy cash values grow tax-deferred and the death benefit will be paid tax-free to the trust.

Legacy Planning Product Spotlight

Start with permanent coverage

Life insurance, such as a TransNavigator index universal life policy, provides leverage for a client’s premium dollars, with the potential to build cash value and a death benefit, enhancing the legacy left behind for the surviving spouse and/or children.

Be prepared with cash value accumulation

Having the flexibility to manage changing family dynamics, long-term needs, and economic conditions is important. With TransNavigator and the potential to build cash value, a policy owner can use the cash value accumulation in the policy for the needs of beneficiaries during the life of the grantor should the need for life insurance change in the future.¹

¹Loans, withdrawals and death benefit accelerations will reduce the policy value and death benefit. Provided the policy is not and does not become a modified endowment contract (MEC), 1) withdrawals are federal income tax-free to the extent that they do not exceed the policy basis (generally, premiums paid less withdrawals) and 2) policy loans are income tax free as long as the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that the loan and other distributions on lapse or surrender exceed the policy basis.

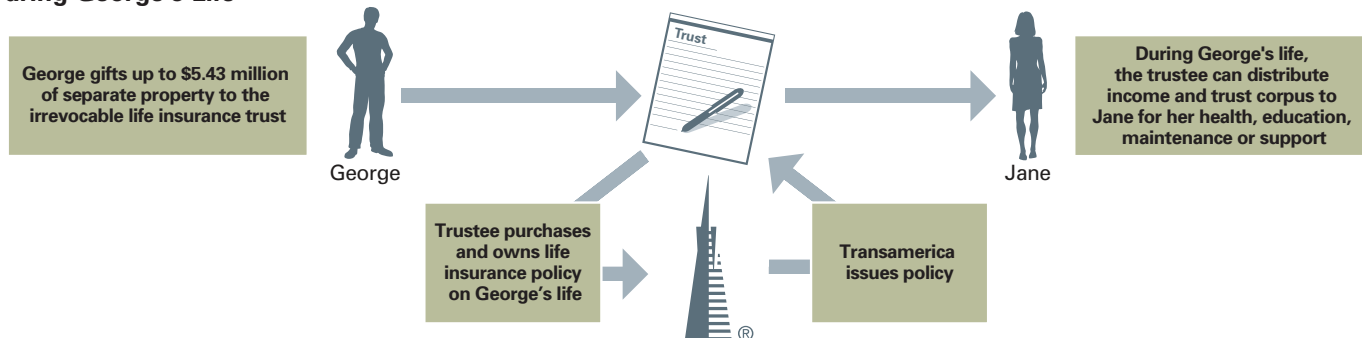
Example

George and Jane are professionals. Their combined estate is \$11,000,000. George would like to reduce his estate due to potential estate tax exposure, but would also like to make sure that his wife is taken care of in case of an unforeseen event.

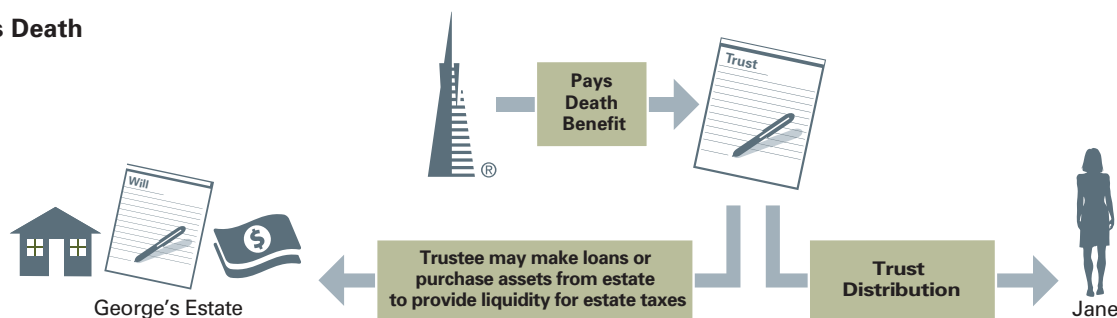
George establishes a spousal support trust and gifts separate property to the trust. The trust purchases a life insurance policy on George. His wife, Jane, is the beneficiary of the trust. The spousal support trust was written giving the trustee the ability to distribute funds to Jane for health, education, maintenance and support. During George's lifetime, the trustee can make distributions to Jane of trust assets.

Here's how the Spousal Support Trust Strategy works:

During George's Life



At George's Death



Why Transamerica?

- A TransNavigatorSM policy provides a death benefit payable to the trust in the event of George's death.
- If the couple's situation changes, the trustee may access the cash accumulation in the policy. The trustee can direct the cash value to the beneficiary spouse.

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Special needs trusts

Estate planning solutions

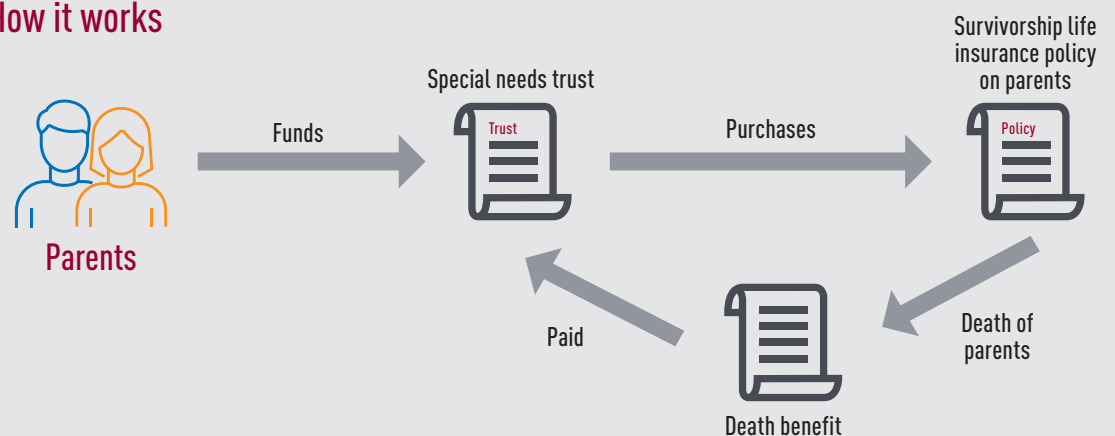
Summary

A special needs trust, or supplemental needs trust, provides funds to a disabled beneficiary without interfering with eligibility for government assistance. The trust can pay for amenities such as vacations, entertainment and sporting equipment.

With a special needs trust, a parent or guardian can make investments on behalf of a disabled dependent, and a trustee is named to assume the responsibilities of the trust.

Life insurance can play an important role in a special needs trust.

How it works



Considerations

- To avoid disqualification from some government programs, do not name the special needs individual as a gift recipient or direct beneficiary.
- Naming a family member as trustee or administrator can create a risk if that person predeceases the special needs dependent or becomes involved in a litigation or bankruptcy.

Advantages

- A special needs trust funded with life insurance can provide a beneficiary the financial means to have lifestyle enhancements for years after a parent's death.
- It is an effective way to provide long-term security and asset distribution in a manner that protects the beneficiary's eligibility for government food, clothing, shelter and transportation benefits.

How to implement

- Meet with your financial advisor and an attorney to set up a special needs trust.
- Transfer assets to the trust.
- Purchase life insurance with the trust as the owner, payer and beneficiary.
 - Life insurance proceeds are received by the trust.
 - Life insurance proceeds are paid out according to the terms of the trust.

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LCN-2204633-080818

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FAMILY BANK TRUSTS

Strategy Summary

A Family Bank Trust is a form of irrevocable life insurance trust; also known as a Generation Skipping Transfer Trust or Legacy Trust. The trust allows its creator to minimize transfer taxes and maximize the legacy left behind to children, grandchildren and future generations.

The Generation Skipping Transfer Tax (GSTT) applies to both outright gifts and transfers in trust to either related persons who are more than one generation below the donor or to an unrelated individual who is more than 37½ years younger than the donor. Now that the estate, gift and GSTT exemption amounts are unified at \$5.43 million for 2015, with proper planning significant amounts of wealth can be transferred without transfer taxes being imposed.

Why a Family Bank Trust?

A Family Bank Trust can help accomplish multiple goals:

- Passes wealth from generation to generation without the burden of transfer taxes.
- Minimizes a beneficiary's potential to mishandle an inheritance and keeps trust assets out of the reach of a beneficiary's creditors or divorcing spouse.
- Promotes positive behavior in beneficiaries by requiring that they adhere to specific standards in order to be entitled to trust distributions, such as graduating from college, maintaining a career, and getting married.

Why Include Life Insurance in Planning with a Family Bank Trust?

Instant Liquidity

With a life insurance policy, clients can rest assured that instant cash will be available to their loved ones upon their passing.

Client Profile

- Anyone—not just an “ultra-wealthy” individual—who would like to create a family legacy to benefit successive generations over a long period of time
- People who plan to leave substantial assets to grandchildren and therefore want to utilize GSTT exemptions as effectively as possible
- Those who would like to promote specific goals and values in future generations

Available Materials/Tools

Consumer

- OLA 1422 Family Bank Trust Consumer Brochure
- OLA 1620 Family Bank Trust Consumer PowerPoint

Tax-Efficient

Life insurance proceeds owned by a Family Bank Trust will ultimately pass income tax-free to beneficiaries. In addition, the money that a client gifts to the trust to pay premiums may be sheltered from gift tax and will reduce a client's estate for estate tax purposes. Furthermore, life insurance policy cash values grow on a tax-deferred basis and the death benefit of a Family Bank Trust-owned policy will be sheltered from estate tax.

Legacy Planning Product Spotlight

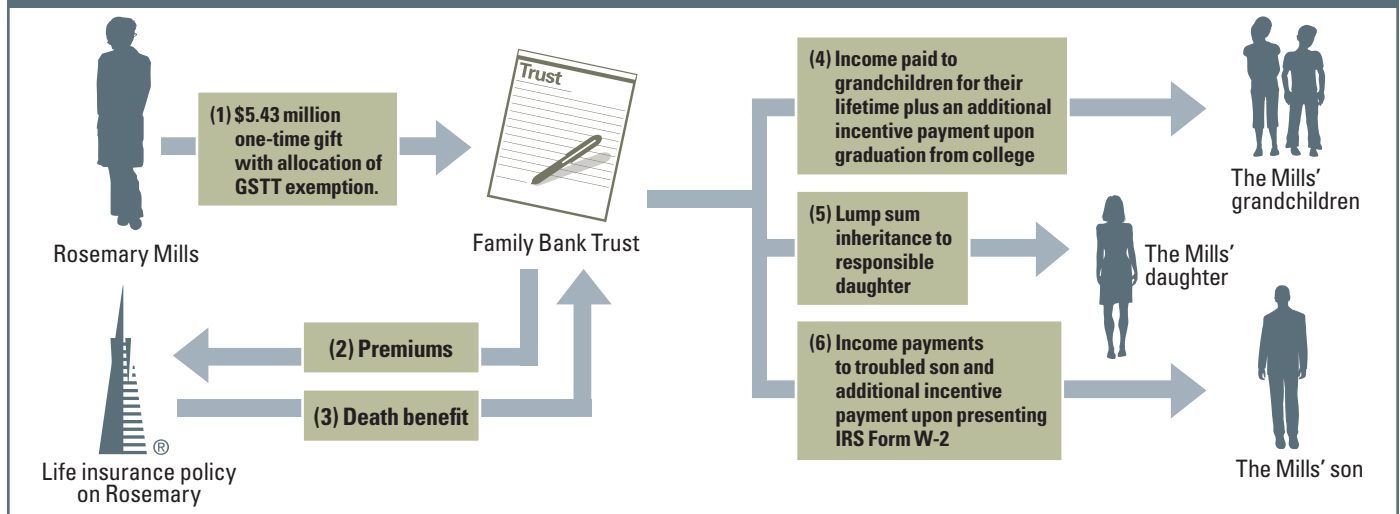
Start with permanent protection

Life insurance, such as a TransNavigator® Index universal life policy, provides leverage for a client's premium dollars, enhancing the legacy left behind for the next generation.

Be prepared with cash value accumulation

Having the flexibility to manage changing family dynamics, long-term needs, and economic conditions is important. With TransNavigator® and the potential to accumulate cash value, a policy owner can build the cash value in the policy and make income tax-free withdrawals up to basis and may also take income tax-free policy loans if there is sufficient cash value, should the need for immediate liquidity arise in the future.

Here's how a Family Bank Trust works:



Example

- Rosemary Mills, age 71, is a retired professional with two children and two grandchildren.
- Her children are polar opposites. One child is an advertising executive who is married with two children. The other has never been married and has a history of trouble with the law and some substance abuse.
- Her current estate value exceeds \$10 million, so she will probably have an estate tax liability.

Goals and Objectives:

- Rosemary is considering transferring a large portion of her estate directly to her grandchildren and would therefore like to leverage her GSTT exemption.
- She places a strong value on education and wants future generations to incorporate this value in their own lifestyles; therefore, she would like to provide incentives in her trust document that would encourage all of her descendants to obtain a college degree.
- Because of her son's history, Rosemary is nervous about leaving him a lump sum inheritance. Additionally, she would like to encourage him to settle down and get a steady job. Consequently, she decides to include an incentive provision in the trust which requires the trustee to match her son's salary—hoping this will provide him the incentive to get his life in order.

Why Transamerica?

- A TransNavigator® policy provides permanent protection in the form of a death benefit payable to the trust at the time of Rosemary's death.
- TransNavigator® Index universal life allows for flexible premium funding patterns, and can be funded over a shorter timeframe to match a client's income earning period or a trust asset's income stream.

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