

Why Have My Policy Assessed?

According to recent surveys*, nearly two-thirds of permanent life insurance policies are in jeopardy of expiring prior to the death of the insured and nearly a third have improper beneficiary, owner, or trustee designations.

When your life insurance policies were purchased, certain assumptions were made about policy charges, interest rates, planned premiums, etc. that may no longer be accurate.

Additionally, your needs might have changed requiring more or less coverage. It is important to periodically review the status of your policy to make sure it still fills its intended purpose in your financial plan.

What Does the Policy Assessment “Analyze”?

The team of professionals working with your advisor to provide this assessment will answer, among other questions:

- Is the policy performing as expected or in danger of lapsing prematurely?
- Can you increase coverage for the same premium and/or reduce the cost of current coverage?
- Has the turmoil in the economy affected your policy or the financial stability of the company that provides the coverage?
- Can your policy be strengthened by adding a “No-lapse” Guarantee Provision or other features that didn’t exist when your policy was written?
- Is your life insurance adequate or necessary given your current needs?

POLICY
ASSESSMENT

Nearly 40 Years of Policy Assessment

Policy AssessmentSM is conducted by Insurance Valuation Services, Inc., a professional, third-party research firm. Their team of trusted policy analysts includes professionals from the insurance, legal, and financial industries.

Insurance Valuation Services, Inc. is a division of Pinney Insurance Center, Inc. (PIC), a national broker of insurance, investment, and financial products. Founded in 1972 and licensed in all 50 states and the District of Columbia, PIC is headquartered in Roseville, California.

* “Life Insurance and Trustee Liability Revisited”, Trusts & Estates Journal, 2004 Study
“Life Insurance and Trustee Liability”, Trusts & Estates Journal, 2000 Study
“Managing Trust-Owned Life Insurance Revisited”, Trusts & Estates Journal, April 1999
“Irrevocable Life Insurance Trusts”, The Tax Advisor, July 1994

YOU CAN COUNT ON CHANGE

Change happens every day.

Business start-ups become industry leaders. Markets rise and fall. Children grow up and have children of their own. Bigger houses, smaller houses. Tuition. Retirement. Vacation homes.

A lot can change in your life after you buy a life insurance policy.

Has your policy kept up with the changes?

Unlike other investment or protection products, permanent life insurance is rarely reviewed or updated. Declines in interest rates, changing insurance costs, and market conditions can significantly affect life insurance, yet the impact of these changes is seldom explored or understood. These and other factors can cause increases in the cost of insurance, or even worse, cause coverage to expire during the lifetime of the insured.

Policies that underperform or prematurely expire (or both) are not rare in today’s climate. They are why the Policy Assessment program was created.

WHAT IS A POLICY ASSESSMENT?

The Policy Assessment is an objective, detailed, professional review of your life insurance portfolio. This review analyzes the most important elements of your policy(ies) to ensure that your life insurance is accomplishing its intended purpose in your financial plan.

Your assessment will analyze each component of your life insurance portfolio and offer specific recommendations regarding areas that may be improved or require special attention.

How it Works

Step 1: Complete the Brief Data Sheet and Authorization

The brief data sheet ensures that your policy analyst approaches the assessment with accurate and complete information. The authorization allows the analyst to request policy data from your existing insurance company(ies).

Step 2: Data Gathering and Analysis of Existing Policy

The policy analyst works with your existing insurance company to gather all necessary policy information for the assessment. Once the information is received, the analyst examines your policy’s performance against your goals and industry standards. If there are areas of specific concern, they will be outlined in the final report.

Step 3: Assessing the Alternatives

About 40 percent of policies reviewed result in no immediate recommendations. The remaining 60 percent show the need for improvement. In these cases, the analyst offers recommendations or options based on current market alternatives and trends. All recommendations are aimed at helping you achieve your goals in the most efficient and effective manner available.

Step 4: Delivering the Report

The findings of the assessment are clearly outlined in an easy-to-understand report that you can review at your convenience with your trusted financial professional(s). This report provides you with objective findings regarding your existing life insurance and may be accompanied by recommendations based on your stated goal(s) and the input of some of the most experienced analysts in the insurance industry.

WHAT ARE THE POTENTIAL OUTCOMES?

Common outcomes of a Policy Assessment include:

Your Existing Policy is Performing as Expected

About 40 percent of the reviews we conduct reveal a policy performing as originally intended. In these cases, the report will recommend continuing the policy “as is” unless your needs have significantly changed.

Your Policy is in Danger of Lapsing Prematurely

Unfortunately, many assessments reveal policies in danger of expiring prematurely. In these instances, the assessment indicates when the policy is expected to expire and offers alternatives for your consideration.

You Can Increase Coverage for the Same Premium and/or Reduce the Cost of Current Coverage

Often the assessment shows that you have the option of either paying less for the same coverage amount or continuing your payments while significantly increasing the amount that you leave to the people and causes you care about.

You Can Add Additional Benefits and Policy Features that Will Meet Your Goals Better

Today’s life insurance policies have many features and options that weren’t available just a few years ago. Options like Secondary (No-Lapse) Guarantees, Long-Term Care benefits, and return of premium provisions are just a few that may make your goals easier to achieve.

THE POLICY ASSESSMENT PROCESS

Step 1

10-30 Minutes
Complete the brief data sheet & authorization.

Step 2

2-4 Weeks
Analyst requests & receives policy documents from your insurer(s) & reviews policy information & performance.

Step 3

1-3 Days
Analyst compiles final report & recommendations, if any.

Step 4

30-60 Minutes
Your advisor will present the report & discuss the findings & any specific recommendations.