

A man with a beard and a woman are sitting at a table, looking at a document. The man is pointing at the document with his right hand, which has a gold ring on the ring finger. The woman is holding a pen in her right hand and looking down at the document. They are both smiling and appear to be in a positive, collaborative mood. The background is a bright, modern interior with large windows.

Life Insurance Policy Review

Foresters 
Financial



Life Insurance Policy Review

Situation

Life insurance can be central to a client's financial protection. Yet 48% of U.S. households currently have a life insurance needs gap¹.

You probably have clients in this boat: Their lives, and their needs, may have evolved considerably since they first purchased insurance. They may have gaps in their coverage and could benefit from a policy review.

Typical clients may include those who:

- Recently got married
- Gave birth or adopted
- Purchased a home
- Recently received a promotion
- Are ready for retirement

A policy review may also be needed for those who have:

- College-bound children
- Elderly parents who may become dependents of the client
- Concerns around becoming chronically ill during retirement
- A change in their financial obligations or goals

The Strategy

A Life Insurance Policy Review is a strategy designed to help ensure that a client's life insurance coverage reflects changes in their financial needs. This review should require as much attention as a review of their financial portfolio because it can reveal multiple issues

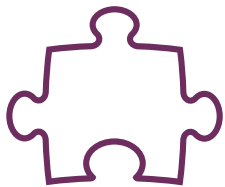
that may require attention. Additionally, it provides an opportunity to reconnect with your client, build trust, and enhance your credibility. All of this can lead to a deeper relationship.

Here's what you should be able to answer after a client's policy review:

- Do they understand what they purchased and are they satisfied with the performance and benefits available?
- Is the current ownership structure adequate and the most tax-efficient for their goals?
- Is their current underwriting class correct?
- Are beneficiaries up-to-date on their coverage?
- Do they have the ability to keep the same coverage, but at a cheaper cost, or increase the amount of coverage for their current cost?
- Do they have enough, too much, or just enough protection with their current coverage?
- Does the current coverage offer all the features and benefits they desire and/or need?

An effective Life Insurance Policy Review can:

- Identify life changes
- Evaluate performance of inforce coverage
- Identify coverage gaps
- Provide recommendations to eliminate coverage gaps
- Introduce innovative offerings that give opportunities to improve their life insurance coverage



60 million US
Households with
a need gap¹

Life Insurance Policy Review

How a Life Insurance Policy Review Works

Case Study

- Al (53), a doctor, and Trisha (50), a part-time executive assistant, are married and have two children
- Al has \$350,000 and Trisha has \$150,000 worth of coverage; each own a 30-year term with no riders or additional benefits
- The couple regularly contribute to their retirement accounts but haven't thought about reviewing their life insurance since they purchased it 17 years ago
- Their goal: The couple wants to make sure that their insurance coverage still meets their needs so that in the event that one of them dies, the other can maintain their standard of living.



STEP 1

Al and Trisha meet their insurance producer to conduct a policy review.



STEP 2

During the meeting, their producer asks them what has changed since they originally purchased their coverage. It turns out that ten years ago they purchased a vacation timeshare, and seven years ago the couple bought a larger home. In addition, Al and Trisha's eldest child is now a junior in college, and their youngest will be starting college next year.



STEP 3

Next, they review their financial needs and discuss any health issues that may be of concern to them. They also review their current coverage which can no longer be converted to permanent insurance. Based on the review, they agree that if something happens to Al or Trisha, the family would find it very difficult to maintain their current lifestyle based on the existing life insurance protection.



STEP 4

Based on the policy review, the following is determined: Al needs \$750,000 in life insurance coverage for the next 13 years and then \$100,000 in retirement. Trisha needs \$150,000 of life insurance coverage for the next 13 years and then \$50,000 in retirement.



STEP 5

Al decides to purchase a Foresters Advantage Plus II Whole Life² with Foresters FinancialTM with an initial base of \$100,000 and 20-year Term Rider² of \$650,000, with Waiver of Premium² and any declared dividends³ purchasing paid-up insurance. Trisha keeps her current term coverage as it meets her short term needs, but decides to purchase a \$50,000 Foresters SMART UL² with Waiver of Monthly Deductions² Rider.



STEP 6

Al and Trisha apply to Foresters for the coverage of interest. After underwriting review certificates are approved as follows. Al's approved Preferred Non-Tobacco and his initial monthly premium is \$443.81 (waiver premium of \$50.93 drops off in year 13, term premium of \$169.49 drops off in year 21). Trisha is approved Standard Non-Tobacco and her monthly premium for her SMART UL is \$76.38.

Life Insurance Policy Review Fact Finder

Date | M M / D D / Y Y |

1 Personal Information

| | | | |
|--------------------|--------|--|--|
| Client Name | | Date of birth | |
| | Y N | | |
| State of Residence | Smoker | Underwriting Class (Preferred, Standard, Etc.) | |
| Spouse Name | | Date of birth | |
| | Y N | | |
| State of Residence | Smoker | Underwriting Class (Preferred, Standard, Etc.) | |
| Children (#) | | | |

2 Life Events/ Changes

- **Family** marriage divorce children inheritance elderly parents
- **Finances** new home job change promotion new or retired debt
- **Health** positive or negative changes in health

3 Assumptions for Analysis

Inforce Insurance Coverage:

| Client or Spouse | Death Benefit | Insurance Company | Premium/Mode | Type of Policy | Beneficiary |
|------------------|---------------|-------------------|--------------|----------------|-------------|
| C S | \$ | | \$ | | |
| C S | \$ | | \$ | | |
| C S | \$ | | \$ | | |
| C S | \$ | | \$ | | |

| | |
|--------------------------------------|------------------|
| | Y N |
| What Is The Purpose of The Insurance | Purpose Changed? |

If Yes, Please Explain:

4 Financial Information

| | | | |
|---|-------------------------------------|--|-----------------------|
| \$ | \$ | \$ | \$ |
| Client's Annual Salary | Client's Other Income | Spouse's Annual Salary | Spouse's Other Income |
| \$ | % | \$ | |
| Total Adjusted Gross Income | Income Tax Bracket | Total Amount of Outstanding Debt (Mortgage, Loans, Credit Cards, etc.) | |
| \$ | \$ | | |
| Expected Funds Needed for College | Funeral & Other Final Expense Needs | | |
| \$ | Client: \$ | Spouse: \$ | |
| Total Amount of Liquid Assets (Bank Accounts, Money Market Accounts, CDs, etc.) | Total Retirement Assets | | |

¹ Source: Life Insurance Ownership in Focus, U.S. Household Trends- 2016.
http://www.linra.com/Research/Abstracts/PDF/2016/160928-01.pdf?research_id=10737445710 .

² Foresters products and riders may not be available or approved in all states and are subject to eligibility requirements, underwriting approval, limitations and state variations. Refer to the applicable Foresters life insurance contract for your state for these terms and conditions. Underwritten by The Independent Order of Foresters.

³ Dividends are not guaranteed and vary depending on factors such as gender, band, smoker, preferred/standard, and premium-pay period.

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