



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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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.

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