

INDIVIDUAL LIFE INSURANCE



LIFE INSURANCE POLICY REVIEWS

INSURANCE PRODUCTS:

NOT INSURED BY FDIC OR ANY FEDERAL GOVERNMENT AGENCY	MAY LOSE VALUE	NOT A DEPOSIT OF OR GUARANTEED BY ANY BANK OR ANY BANK AFFILIATE
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~A Policy Review is not always a precursor to a change in coverage~

Did You Know?

- 48 million U.S. households are saying they “don’t have enough life insurance”
- 29 million households say they are likely to buy life insurance in the next 12 months

Source: “Trillion Dollar Baby” Report, LIMRA International, June, 2005

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Did You Know?

- Your current customers
 - 3 in 4 already have some insurance and are seeking additional coverage
- First time buyers
 - 1 in 4 currently have no coverage
 - 74 percent of these potential first time buyers do not have a personal life insurance agent, broker or financial planner
- Young and middle aged households
- All income segments

Source: “Trillion Dollar Baby” Report, LIMRA International, June, 2005

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Did You Know?

- Reasons why households needing more life insurance have not bought more include:
 - 74% believe they can't afford coverage
 - 52% difficult to decide how much insurance I need
 - 50% have not gotten around to buying life insurance
 - 43% worry about making the wrong decision
 - 40% prefer to put my money in other financial products
 - 29% no one has approached me about it
 - 20% unpleasant to think about dying, so put off buying

Source: "Trillion Dollar Baby" Report, LIMRA International, June, 2005

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What's This Mean For You?

- Reviewing retirement needs and developing a plan to manage income, assets, and expenses during retirement
- Setting up a plan to provide lifetime income after retirement
- Help preserving assets for future generations
- Developing a plan to provide financial help if a primary wage earner dies or becomes disabled

Source: "Trillion Dollar Baby" Report, LIMRA International, June, 2005

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What's It Going To Take?

- They want to buy life insurance from someone they trust, who will provide them with the information they need to decide what and how much to buy
- They don't want to be rushed and may need more than one contact to make such an important decision

Source: "Trillion Dollar Baby" Report, LIMRA International, June, 2005

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What's It Going To Take?



- Referrals are an important way to generate trust
 - Almost 3 in 4 consumers who met with a sales representative through referrals from friends or relatives bought life insurance compared with 6 in 10 of those meeting with total strangers

Source: “Trillion Dollar Baby” Report, LIMRA International, June, 2005

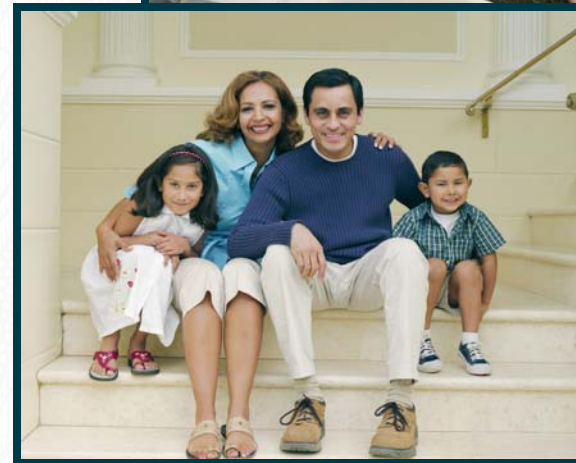
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The Opportunity Is Right In Front of You

- They are already your clients
- They already have life insurance
- They just don't know if it's still enough

Neither will you, unless you look



The Opportunity Is Right In Front of You

- A life insurance policy review will help determine if
 - The right coverage is in place to meet the clients' financial goals
 - Ownership is structured in your clients' best interest
 - Beneficiary designations are up to date
 - Your clients' goals are being met in the most cost effective manner
- Do a thorough analysis of current and future needs

Back to Basics: Getting Started

- Anticipate client questions
 - Why do I need a Policy Review?
 - Aren't you really just trying to sell me more life insurance?

Policy Reviews: Step by Step

- Step 1: Prospect
- Step 2: Gather
- Step 3: Complete
- Step 4: Develop
- Step 5: Review
- Step 6: Save

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Policy Reviews in Action: A Case Study (1)

- Female
- Age 72
- 2 current UL policies
- Cash Value = \$51,000
- Total Death Benefit = \$96,900
- Premium \$1,400 with 16 years left to pay



The following hypothetical case studies are for illustration purposes only and not representative of any particular insurance product.

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Policy Reviews in Action: A Case Study (1)

- Change in need
- Looking for a larger Death Benefit with a guaranteed product

Policy Reviews in Action: A Case Study (1)

- Post-review
 - Replaced the policy with a guaranteed product
 - Increased Death Benefit = \$150,000
 - Decreased Premium = \$540

All guarantees within the policy are based on the claims-paying ability of the issuing company.

Policy Reviews in Action: A Case Study (2)



- Mr. And Mrs. Hart
- Married, age 35
- Mr. Hart is a chiropractor and Mrs. Hart handles the management of his busy medical office
- Mr. Hart has a whole life insurance policy with a face amount of \$500,000 for Mrs. Hart to pay off the remainder of their mortgage and be able to take time finding a new career
- Last you spoke to the Harts, they were considering starting a family...well, lots has changed over time

Policy Reviews in Action: A Case Study (2)

- Mrs. Hart is expecting twins
- Mrs. Hart will be working part time
- Mr. Hart has partnered with another chiropractor
- Their goals have changed to include making sure:
 - College planning is in place
 - Mr. Hart will have enough to pay for hired help if Mrs. Hart dies
 - The business will not suffer



Policy Reviews in Action: A Case Study (2)

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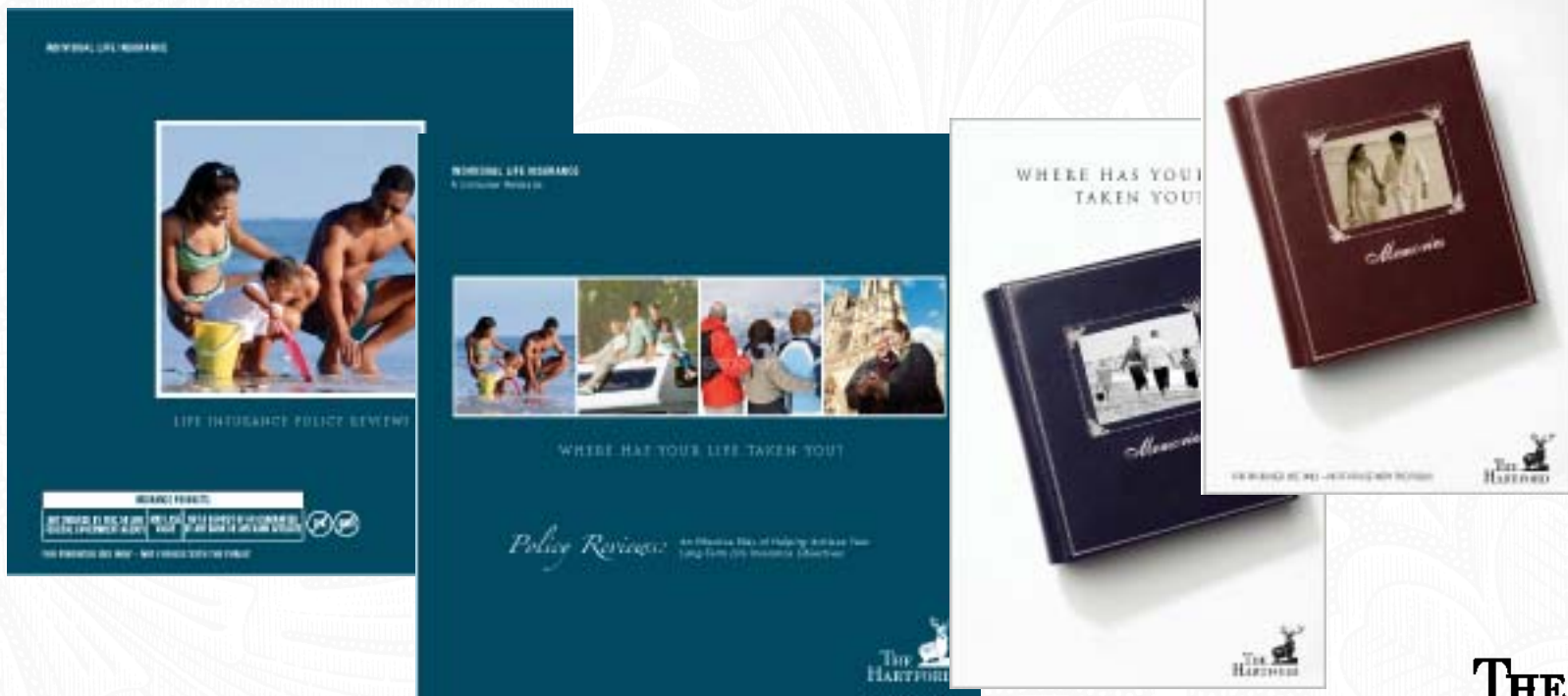


Policy Review: Beyond the Basics

- ILITs
- Business Owners
- Business Continuation and Buy/Sell planning
- Estate Planning

Getting It Done

- Tools and resources available to you
 - Updated marketing materials



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Things You Need to Know To Increase Life Insurance Business

- You know how to get in touch with your Hartford consultant
- You know how to get appointments with clients
- Now, you know how to start recognizing a change in needs

Conclusion

Life insurance is what you need when you love
someone or you owe someone —

What category do your clients fall into?

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