

Level4Life

“Reviewing the Possibilities”

Presented by:

Valued Agent



- Existing Coverage Analysis
- Considerations
- Points of Difference
- Identified Opportunities

Sample

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.

Understanding the Opportunities

As the Life Insurance industry has evolved, the underlying products have steadily changed as well. Not only have Insurance companies enlisted new policy and ownership but have had the ability to introduce several enhanced products and new underwriting criteria to their clients and the marketplace.

Additionally, your assets are reviewed on an as-needed basis, thus so should the life insurance protecting those assets.

We offer a process that will embrace these changes as well as identify potential opportunity and points of difference with your existing coverage and needs.

The due diligence performed will include:

- Understanding your existing life insurance coverage
- Considering new opportunities
- Summarizing the resolution

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.

Existing Coverage Analysis

Prepared For: Valued Client.
D.O.B: 04/18/1930
State: Virginia
Agent: Valued Agent
Policy: Phoenix Life

Plan Type: Whole Life Insurance
Objective: Guaranteed Death Benefit
to Heirs
Date: 01/14/2009

1. Current Premium Amount: \$62,000
2. Premium Duration: All Years
3. Cash Surrender Value: \$800,000
4. Current Death Benefit: \$1,500,000

Considerations

- Under a current assumptions, this policy will lapse continue to build excessive cash values inside of the ILIT. ILIT's are designed to pay death benefit proceeds to the beneficiaries rather than building up unnecessary cash values.
- The existing cash value available to be leveraged is \$800,000
- The current net death benefit is \$1,500,000

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.

Points of Difference

	<u>Phoenix Life</u>	<u>Lincoln Life</u>
Current Risk Class	Preferred Nonsmoker	Standard Nonsmoker
Leveraged Cash Surrender Value	\$800,000	\$800,000
Scenario (1) Annual Premium	\$62,000	\$15,489
Scenario (1) Current Death Benefit	\$1,500,000	\$1,500,000
Scenario (2) Annual Premium	\$62,000	\$62,000
Scenario (2) Current Death Benefit	\$1,500,000	\$2,257,000

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.

Insurance Carrier Information

Insurance Carrier Ratings:

	<u>Phoenix Life</u>	<u>Lincoln Life</u>
A.M. Best	A (Excellent)	A+ (Superior)
Standard & Poor's	BBB+ (Good)	AA (Very Strong)
Moody's	A3 (Good)	Aa3 (Excellent)
Fitch Ratings	A (Strong)	AA (Very Strong)

- All of the following carrier's products and underwriting guidelines have been reviewed as part of the Insurance Assessment process:
 1. Met Life
 2. The Hartford
 3. AXA
 4. Prudential
 5. United of Omaha
 6. Lincoln Benefit Life
 7. Sun Life
 8. Protective Life
 9. Transamerica
 10. Principal
 11. Lincoln Life
 12. ING
 13. Mass Mutual

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.

Identified Opportunities

Upon an objective review of your existing policy with several Insurance Carriers, we have identified the following opportunities:

- 1) Continue to pay the current premiums of \$62,000 into the existing Phoenix life insurance policy. This will build unnecessary cash value but will provide a death benefit to the heirs.
- 2) Replace the existing Phoenix policy with a Lincoln Life policy utilizing the existing cash value. This will leverage the unnecessary cash values into a policy designed to guarantee a death benefit to the heirs with the most minimal costs.
 - a) Scenario (1) would require you to only pay \$15,489 in annual premiums to guarantee the \$1,500,000 policy for your lifetime rather than paying the existing required annual premium of \$62,000
 - b) Scenario (2) would require you to continue to pay \$62,000 in annual premiums. However; this would guarantee your heirs \$2,257,000 of guaranteed death benefit instead of the existing \$1,500,000 death benefit.

Moving Forward

The next steps will help you achieve resolution of the identified issues with your current policy:

1. Review the goals of the ILIT and potential pitfalls of cash value build up inside of the ILIT.
2. Complete the appropriate Lincoln Life paperwork.
3. Submit the paperwork for formal underwriting approval.
4. Once an underwriting offer has been made from Lincoln Life, we will move forward with making the final decision.

*Due to the confidentiality and fiduciary liability, no information shall be shared with outside or uninvolved parties.