

Life insurance **policy reviews:** A step-by-step guide



Create new opportunities for your business.

TARKENTONFINANCIAL
Solutions for Retirement

Table of Contents

Introduction	3
Why should you use policy reviews?	4
Conducting a review	5
Policy review form and sample letters	5
Reaching out to clients and prospects	6
Gathering client data	8
Annual statement review	10
Presenting your findings	11

Introduction

As an independent financial professional, you probably have spent a significant amount of time and energy building your client base.

But how confident are you that each of your clients' life insurance needs continues to be met by their current coverage?

One simple way to provide your clients an ongoing measure of support (and potentially increase your sales in the process) is by conducting regular policy reviews.

Keep reading this step-by-step guide for tips on why you should be using reviews and how you can add this integral service to your business.

We'll also introduce you to some resources that you can use to easily promote and conduct your own policy reviews.





Why should you use policy reviews?

A policy review can help you compare existing policy coverage and performance with today's product efficiencies and client needs.

In addition to determining product suitability, policy reviews can also help you:

- **Increase client satisfaction and retention**
By asking your clients for ongoing input into their financial strategy, they will feel more satisfied that you are working to ensure their policy doesn't become outdated or fall short of meeting their changing needs.
- **Uncover sales opportunities**
Your current clients may be among the best source of future sales, as policy reviews can reveal hidden opportunities you might otherwise miss.
- **Generate referrals**
By meeting with your clients regularly, you will be able to find out what's going on in their life. You can also determine if other members of their family are in need of life insurance.
- **Build relationships**
Policy reviews communicate your interest in your clients' personal circumstances. This interest can help build relationships with them beyond a sale.
- **Add new clients**
With 50 percent of Americans reporting that they need more life insurance, marketing an appraisal service could be an effective way of adding new clients to your practice.¹

Conducting a review

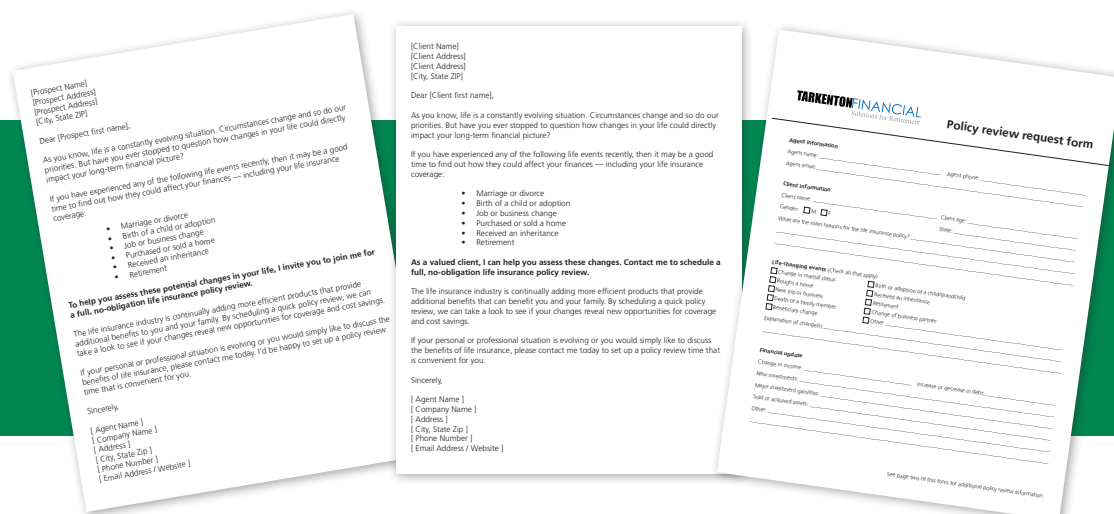
Adding policy reviews to your practice is easy, but it does require a degree of preparation and fact finding.

In the next several pages, we'll walk you through the process in four easy steps. We'll provide you with some tools to help you add policy reviews to your business.

Step one: Access the policy review form and sample letters.

Attached you will find a policy review form that can help you ask the right questions and gather client information during the review.

You'll also find two sample letters that you can use to market your appraisal services to clients and prospects.



Conducting a review

Step two: Reach out to clients and prospects.

Since many agents don't offer policy reviews, promoting your service can represent a great opportunity to bring in new prospects and engage existing clients. However, it will be up to you to show them the value of an appraisal.

Follow these tips to promote your services and schedule policy reviews:

Utilize the client and prospect letters

You can integrate the sample letters into your marketing.

These letters emphasize how scheduling an appraisal with you could improve the financial picture for both clients and prospects.

Call to schedule a meeting

If you prefer to reach out to your clients and prospects by calling them, you can reference the sample scripts on page seven. They can help you convey the benefits of a policy review over the phone.

You can use the existing client script even if your client obtained their life insurance through another professional.

Send a confirmation

After you have scheduled a review with a client or prospect, send them a confirmation letter or email.

In this confirmation, ask that they bring a copy of their most recent annual statement or an in-force illustration to help with the review process. You can also request this information from the insurance company prior to the review.

If you are not the agent of record on the life insurance policy, you can offer to help the client or prospect contact their carrier to obtain their annual statement and/or in-force illustration.

Follow-up with a reminder

One day before their review, give your clients a call or send them an email to remind them of their appointment time.



Sample phone scripts:

Existing client script

"Hello (client name), this is (your name).

(Confirm that the client has a moment to talk. If they do not, offer to call back at a time that is convenient for them.)

I was calling today to see if you have experienced any recent changes in your life that could affect your current life insurance coverage. It's been awhile since you purchased your life insurance policy and I'd like to make sure it is still in line with your needs.

We may even find some new opportunities for coverage and cost savings.

Is there a good time that we might be able to meet?"

Prospect script

"Hello (client name), this is (your name) from (business name).

(Confirm that you have reached the prospect at a good time. If it is not, offer to call back at a time that is convenient for them.)

I was calling today to ask when you last checked to see if events in your life have created new opportunities for cost savings and improved coverage in your life insurance.

(Wait for the prospect to respond.)

If you haven't checked your policy lately, significant life changes could mean you are due to adjust your coverage up or down depending on your situation.

To help you evaluate these changes, I would like to offer you a no-obligation policy review. It would only require a few moments of your time, and could ensure you're getting the most out of your policy.

Is there a good time that we might be able to meet?"

Conducting a review

Step three: Gather client data.

Once your clients are in the office, you can utilize the policy review form to help gather information on recent life changes.

Here are some topics you can cover during the review.

Life-changing events

At the start of the review, take a moment to ask your clients these questions: Why did you initially acquire your life insurance? Have you experienced any significant life changes since purchasing your original policy?

These life events may mean more advanced coverage options.

Life-changing events can include:

- Marriage or divorce
- Birth or adoption of a child
- Purchase of a new home
- Receipt of an inheritance
- Job changes
- Retirement

For a complete listing of events to review with your clients, see the policy review form.

Financial situation

If your clients have recently added income, taken on debt or made new investments, it can make a difference in how much life insurance they currently need or can afford.

You can reference the policy review form for the key questions to ask about your clients' current financial situation.

Existing policy information

To better understand your clients' future life insurance needs, you first need to understand your clients' current coverage.

The policy review form can help you identify the information you will need to gather about your clients' existing policy or policies.

To obtain this information, ask your clients for a copy of their annual statement and/or an in-force illustration. You could also request this information from the insurance company.

To learn how to analyze an annual statement, turn to page ten.

Underwriting update

Major changes in your clients' health can have consequences for their insurability.

During the review, inquire if your clients have had any changes in their health or tobacco usage since purchasing their original policy.

By noting these health updates on the policy review form, you may be able to reapply your clients for more favorable insurance terms, if they apply.



The annual statement: What you need

Here's a look at some of the key information you will need to transfer from your clients' annual statement(s) to the policy review form.

XYZ Life Insurance Company

Client Name
Address
City, State

Annual Statement Review

Policy number: XXXXXXXXX

① Policy date: 12/27/2003

Policy reporting: 12/27/2014 – 12/26/2015

Insured: Client Name

Gender: Female

Issue age: 43

Class: Nontobacco

② Annual planned premium: \$2,500

Mode: Annual

③ Ending death benefit: \$500,000

Policy values as of 12/27/2014 to 12/26/2015

Accumulation value at end of last reporting period: \$XX,XXX

Net premium paid: \$X,XXX

Interest credited: \$X,XXX

Cost of insurance: (\$X,XXX)

Cost of riders: \$X

Expense charge: (\$XX)

Partial surrenders: \$X

Accumulation value: \$X ④

Partial surrender charges: \$X

Cash surrender value at end of this reporting period: \$XX,XXX ⑤

① Policy date (Issue date): The date the policy was issued.

② Annual premium: The premium amount that is paid each year.

③ Death benefit amount: The current death benefit.

④ Accumulation value (Cash or net value): The current accumulation value.

⑤ Cash surrender value: The accumulation value less surrender charges.



Conducting a review

Step four: Present your findings

After completing the policy review form with your clients, you can now run a comparison for any alternatives that might improve your clients' current coverage.

A few of the key things to look for include:

- Do they have the appropriate amount of coverage?
- Is the insurance meeting their needs?
- Is there an opportunity to provide the same coverage for less premium?
- Is it possible to increase their death benefit coverage for the same premium?
- Are there additional riders available that would be beneficial (living benefits, child riders, etc.)?

If you need assistance with this process, please fax or email the completed policy review form, a recent annual statement and/or an in-force illustration to Tarkenton Financial.

We can review your clients' information and provide you with options that can help fit their current needs.

If you need additional support conducting policy reviews in your practice, you can also call our sales support staff with any questions.

We'd be happy to offer additional insight on how to effectively use appraisals to grow your business.

Tarkenton contact:

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Give us a call!

Tarkenton Financial can offer your business a comprehensive portfolio of life products, case design concepts, ongoing case management and ease-of-business tools.

If you need support adding policy reviews to your practice, **please call Tarkenton Financial at 800.659.4942.**

We can show you how to use this integral service to create new opportunities for your business.

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