

LIFE INSURANCE

A Complimentary Personal Life Insurance Policy Audit & Review (P.A.R.)

Is your personal life insurance coverage up to P.A.R.?

Your life insurance is one of the most valuable assets you own. It has the ability to take care of you during retirement and your family when you are no longer around to provide for them. A professional life insurance Policy Audit & Review (P.A.R.) will ensure your coverage is keeping pace with the changes in your life.



Keeping Current

Recall that when you originally purchased your life insurance, certain assumptions were made about policy charges, interest rates, planned premiums, and carrier strength. Your health, income, and family situation at that time also played a big role in the amount and type of life coverage you selected.

Are those assumptions still valid? Have changes in your coverage kept up with changes in your business and personal life?

Just like your stocks, bonds, real estate and other investments, it is always a good idea to review your life insurance situation every few years, especially in volatile times and when your family or financial situation changes.

Our comprehensive P.A.R. offers an excellent opportunity to ensure your insurance coverage is appropriate for your current situation.

P.A.R. Results

P.A.R. will help you discover and determine if:

- Your policy's performance and future planned premiums have been impacted by extended periods of low interest rates;
- The issuing carrier's financial strength ratings have changed;
- Your coverage may be ending sooner than anticipated or desired;
- Loans, withdrawals or other policy activities have affected your policy's performance;
- Your health has improved to qualify you for better pricing; and,
- Changes in your family or business situation necessitate changes in the type, duration, or appropriate amount of life insurance coverage.

The P.A.R. Process

- Grant, Hinkle & Jacobs will gather information about your policy and request illustrations from the issuing company to determine if your life insurance policy is on track. After this information is received, we will review our findings with you and present them in writing. There is no "right" answer, only the need to determine what is most important to you.
- If changes need to be made, we will help you weigh the choices, suggest alternatives, and make recommendations to help you reach your goals.
- We will even review the different policy ownership options as well as discuss methods of funding your life insurance policy, including the use of §1035 tax-free exchanges, life settlements, and premium financing.

EXISTING POLICY
<ul style="list-style-type: none"> • 60 year-old female with four whole life policies totaling \$300,000 of death benefit. • Cash surrender value \$125,000. • Ongoing annual premiums \$3,000 to age 75.

NEW POLICY
<ul style="list-style-type: none"> • Four policies reduced to one. • \$125,000 cash value transferred via §1035 tax-free exchange into a new \$350,000 paid-up policy, guaranteed to age 120. • <u>Result:</u> Increased coverage and eliminated future premiums, resulting in \$45,000 savings over 15 years.

EXISTING POLICY
<ul style="list-style-type: none"> • Due to changes in tax law, a 75 year-old male no longer needed all of his life insurance coverage. • One of his policies had a \$3 million death benefit and \$0 cash surrender value. • Annual premiums to keep the policy in force through his life expectancy were significant.

NEW POLICY
<ul style="list-style-type: none"> • Policy was sold in a life settlement for \$1 million, net of tax. • <u>Result:</u> Policy worth \$0 if surrendered but client obtained \$1 million for it in the settlement plus relief from all future premiums.

Case Studies

EXISTING POLICY
<ul style="list-style-type: none"> • 60 year-old male, \$5 million 20-year term policy with 15 years remaining (age 75). • Annual premium = \$17,025. • Guaranteed conversion of term to permanent <i>without</i> underwriting expires age 65.

NEW POLICY
<ul style="list-style-type: none"> • \$5 million 15-year term policy (age 75). • Annual premium = \$18,115. • Guaranteed conversion expires age 75. • <u>Result:</u> Protected \$5 million of future insurability for \$1,090 additional annual premium.



Summary

Providing funds to your survivors, ensuring your debts are paid, equalizing inheritances, leaving a charitable legacy, providing economic opportunities to your heirs, and supplementing your retirement income are just some of the reasons why you may have purchased life insurance coverage.

Reviewing and understanding your policy is critical to making sure that your coverage is keeping up with the changes in your life and in the life insurance marketplace. Contact us today for your complimentary P.A.R. report.



**Grant
Hinkle &
Jacobs**

858-350-4000

info@ghjinc.com

Solana Beach, CA and Ft. Myers, FL

www.ghjinc.com