

An Important Review

THE IMPORTANCE OF PARTNERING WITH AN INSURANCE EXPERT



It isn't always this easy but it does happen. Anne, a seasoned investment specialist recently obtained her life insurance license. She knew she wanted to put it to use so she simply started asking all of her clients, "Did you know we now offer a comprehensive life insurance review; would that be of interest to you?" It wasn't long before one of her long time clients, a now retired surgeon, took her up on her offer.

Anne knew immediately to call Steve, her home office life specialist, to find out what her next step was. Steve provided her with a list of information she needed to gather and suggested she bring in Rob Barnes, a local support specialist. Steve assured Anne she was in good hands because he knew Rob offered an 'unbiased consultative' approach with access to multiple companies offering life, long term care and disability insurance support. Furthermore, Steve knew Rob had an extensive back ground in life insurance and working in the estate and business planning arenas.

Anne shared with Rob, the information she collected from her client on his existing policy and asked if he would be willing to meet with her client to complete his life insurance review. The circumstances of their first meeting were rather straightforward. Anne's client owned a term policy he took over from his business upon retirement. The underlying concern with his insurance was that the annual premium was increasing each year and at some point would become unaffordable. Her client had recently remarried a woman with a young child, so he recognized the value of leaving his legacy to them and did not want to lose it.

The only sensible option was to purchase permanent insurance with a guaranteed level premium, but there was one concern. It was uncovered during their first meeting that the client had health circumstances which could make permanent coverage unaffordable and possibly unavailable. With this, Rob immediately reviewed his term policy to determine whether or not conversion options were available. It was discovered the client's term insurance was convertible but was not the most ideal option if he could medically qualify for new insurance under a guaranteed universal life chassis. Rob then collected a

detailed health history from the client and sent an inquiry out to a number of insurance carriers who underwrite more positively with his medical conditions. Company A, amongst a few others, believed our client could qualify for standard rates assuming the medical evidence to be provided was favorable. After analyzing the different products from these companies it appeared Company A was the best company to begin with.

Anne and Rob explained to the client that they were going to submit one application to Company A, and have him sign a preliminary inquiry authorization that would allow them to shop the case to other insurance companies, if needed. They initiated his insurance exam and collected all necessary medical records to underwrite the case. The offer came back from Company A in a timely manner, however the underwriter did not feel our client was a 'standard' health risk and rated him. This rating increased the originally quoted premium by \$15,000. A higher than anticipated premium is never a good thing. However, after contacting the client with our offer we began to realize how important this insurance had become. He understood that although Company A premiums were higher than initially quoted, in a few years his existing annual term premiums would exceed the guaranteed planned annual premium under this new policy.

Rob advised Anne and the client that it was now time for Plan B, to shop the case. With the preliminary inquiry both Anne and the client had signed earlier, they were able to forward the medical evidence collected for Company A to the other carriers that previously provided them with favorable tentative underwriting offers. Rob also involved his local representative from Company A to see if he could discuss the case with his underwriter for a potentially better offer. Company A was not willing to budge on their offer and more than five other carriers declined or rated our client higher than Company A's initial offer. As it turns out, we had the best offer available. Rob then compared the offer he had from Company A to the conversion opportunities being offered on his existing term coverage. It was clear Company A's offer was more competitively priced in the long run and guaranteed forever. Company A also had superior ratings, financials and size. We found a winner on price, product and quality!

Although the client may not have been enthused over the higher than anticipated price, he did appreciate the fact that Anne was able to offer a valuable service and searched for the best options available. He knew this was exactly what he needed to leave his legacy onto his new family and accepted the policy. This would have never happened if Anne didn't ask one simple question, "Did you know we now offer a comprehensive life insurance review; would that be of interest to you?"