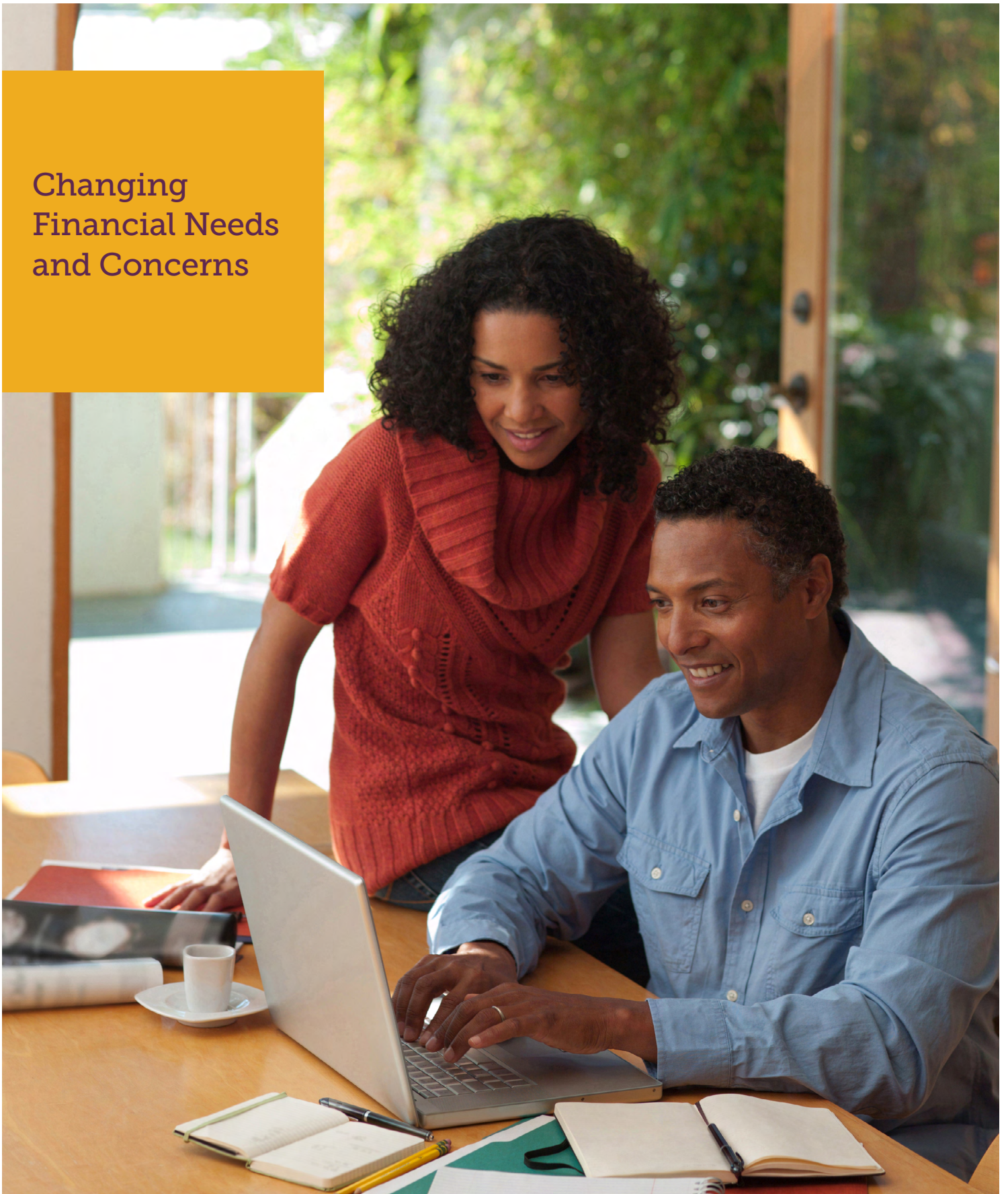


Changing
Financial Needs
and Concerns





Life Insurance Policy Review

Situation

Life insurance can be an important tool towards a client's financial protection. According to a recent survey, 48% of the participants admitted they did not have enough funds to cover unexpected expenses should a serious illness prevent them from working and 23% of Canadians said they are not prepared financially if they pass away too soon.¹ So, this makes you wonder, when was the last time your clients spoke to you about their life insurance needs?

Your client's lives may be quite different today versus when they originally purchased their insurance; so are their needs for insurance. Clients who may have gaps in insurance and could also benefit from a policy review include those who:

- Recently got married
- Gave birth or adopted
- Purchased a home
- Recently received a promotion
- Are ready for retirement

Also, those who have:

- Children bound for college or university
- Elderly parents who may become dependents of the client
- Concerns around becoming chronically ill during retirement
- A change in their financial obligations or goals

The Strategy

A Life Insurance Policy Review is a strategy designed to help ensure that your client's financial protection plan is currently protecting against changes in their financial needs. This

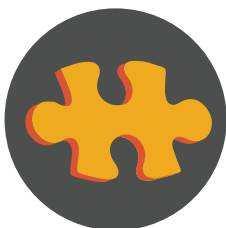
review should require as much attention as a review of their financial portfolio because it can reveal multiple issues that may require attention. Additionally, it provides an opportunity to reconnect with your client, build trust and credibility, which all leads to building a deeper relationship.

What you should be able to answer as a result of a life insurance review with your client:

- Do they understand what they purchased and are they satisfied with the performance and benefits available?
- Is the current ownership structure adequate and the most tax-efficient for their goals? Is their current underwriting class correct?
- Are beneficiaries up-to-date on their coverage?
- Do they have the ability to preserve the same coverage, but at a cheaper cost, or increase the amount of coverage for their current cost?
- Do they have enough, too much, or just enough protection with their current coverage?
- Does the current coverage offer all the features and benefits they desire and/or need?

An effective Life Insurance Policy Review can:

- Identify life changes
- Evaluate performance of in-force coverage
- Identify coverage gaps
- Provide recommendations to eliminate coverage gaps
- Introduce innovative offerings that give opportunities to improve their life insurance coverage



Less than a third of Canadians are covered for unforeseen life events¹

Life Insurance Policy Review

How a Life Insurance Policy Review Works

Case Study

- Al (53), a doctor, and Trisha (50), a part-time executive assistant, are married and have two children
- Al has \$350,000 and Trisha has \$150,000 worth of coverage; each own a 20-year term with no riders or additional benefits
- The couple are actively involved in their

retirement accounts but haven't thought about reviewing their life insurance since they purchased it 17 years ago

- Goal: On the advice of their insurance advisor, the couple wants to make sure that their current insurance coverage still meets their needs so that in the event of a death their lifestyle can be maintained.



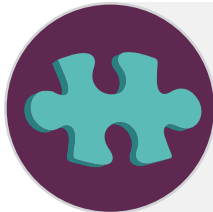
STEP 1

Al and Trisha meet their insurance advisor to conduct a policy review.



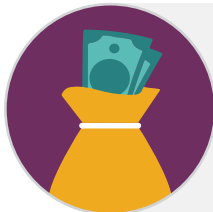
STEP 2

During the meeting, their advisor asks them what has changed since they originally purchased their coverage. The advisor uncovers the following. Ten years ago they purchased a vacation timeshare. Seven years ago they purchased a larger home. Their oldest child is in college and their youngest child starts university next year.



STEP 3

Next, they review their financial needs and discuss any health issues that may be of concern to them. Finally, they review their current coverage which they determine offers no living benefits and is past their eligibility for conversion. Based on the review, they agree that it's apparent if something happens to Al or Trisha the family would find it very difficult to maintain their current lifestyle based on their current life insurance protection.



STEP 4

Based on the policy review, the following is determined. At the death of the first spouse, they need \$750,000 in life insurance coverage for the next 20-years and then the amount reduces to \$100,000.



STEP 5

Their advisor recommends Foresters Financial™ and the following to make sure their family is protected financially. They purchase a Foresters Non-Par Whole Life,² Paid to Age 100, Joint First To Die policy. The initial coverage is \$100,000 with a Term 20 Rider of \$650,000.



STEP 6

Al and Trisha apply to Foresters for the coverage recommended. After underwriting review the policy is approved as follows. They both are approved standard non-smoker with an initial monthly premium of \$501.71 and then dropping to \$232.89 in year 21.

After completing a policy review, Al and Trisha determined that their current insurance was insufficient to meet their family's needs. As a result the family now has a financial protection plan that better suits their needs.

Life Insurance Policy Review Fact Finder

Date MM / DD / YY

1 Personal Information

Client Name		Date of birth	
	Y N		
Province of residence	Smoker	Underwriting Class	
Spouse Name		Date of birth	
	Y N		
Province of residence	Smoker	Underwriting Class	
Children (#)			

2 Life Events/ Changes

- **Family** Marriage Divorce Children Inheritance Elderly parents
- **Finances** New home Job change Promotion New or retired debt
- **Health** Positive or negative changes in health

3 Assumptions for Analysis

In-Force Insurance Coverage:

Client or Spouse	Death Benefit	Insurance Company	Premium/ Mode	Type of Policy	Beneficiary
C S \$			\$		
C S \$			\$		
C S \$			\$		
C S \$			\$		

What Is The Purpose Of The Insurance Y N
Purpose Changed?

If Yes, Please Explain:

4 Financial Information

\$ _____	\$ _____	\$ _____	\$ _____
Client's Annual Salary	Client's Other Income	Spouse's Annual Salary	Spouse's Other Income
\$ _____	_____ %	\$ _____	
Total Adjusted Gross Income	Income Tax Bracket	Total Amount Of Outstanding Debt (Mortgage, Rent, Loans, Credit Cards, etc.)	
\$ _____		\$ _____	
Capital Anticipate Needing for Post-Secondary Education		Funeral and Other Final Expense Needs	
\$ _____		Client: \$ _____	Spouse: \$ _____
Total Amount of Liquid Assets (Bank Accounts, Money Marketing Accounts, etc.)		Total Amount of Retirement Assets	

¹ Source: Insurance Business Canada, Most Canadians are underinsured: Study, <https://www.insurancebusinessmag.com/ca/news/breaking-news/most-canadians-are-underinsured-study-62245.aspx>

² Underwritten by Foresters Life Insurance Company.

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