



Life 101

## The “Best” Life Insurance

You have probably been asked “how do I know which life insurance product is the best choice?” The answer to that is as varied as there are people because the best life insurance product is the one that most appropriately fits the client’s needs.

So how do you determine what product is a good fit for your clients? You need to get to know your clients by asking good questions such as:

### Personal

**What is the client’s life situation?** Newlywed, young children, new mortgage, in peak earning years, about to retire, etc.?

**What are the client’s chief concerns?** It could be one or more of the following: income replacement, mortgage protection, final expense coverage, cash reserve for tax advantaged savings and liquidity, supplemental retirement income, long term care/chronic illness protection, legacy planning, charitable giving, or estate liquidity.

**Does the client need coverage for a specific period or time or for the rest of his/her life?**

**How much coverage does the client need and how much can the client afford?**

**Does the client already have life insurance coverage in force? Consider performing a policy review to find out if additional or different coverage is appropriate.**

**What is the client’s risk tolerance? How important are the guarantees, cash value growth, access to cash values?**

- Is the carrier financial strength a concern?
- How important is it for the carrier to have proactive post-issue policy management?

### Business

**Is there a key employee who needs to be covered so the business will not suffer if that key employee left?**

**Are there executives the client will want to retain and reward by using the cash value growth of life insurance?** Split-dollar and non-qualified deferred compensation plans are possible ways to reward and retain talent.

**Is the client’s business prepared with a buy-sell agreement if his/her business partner were to suddenly depart, become disabled, or to die?**

**Has the client planned for how the business will continue if he/she were to retire, become disabled, or die?**

The below chart includes links to pieces that can help you prepare for these conversations:

|                 | <a href="#">Affordable Protection/<br/>Covering Essentials</a> | <a href="#">Wealth Accumulation/<br/>Ensuring Lifestyle</a> | <a href="#">Wealth Preservation/<br/>Preparing for the Unexpected</a>     | <a href="#">Wealth Transfer/<br/>Leaving a legacy</a> |
|-----------------|--|---|---|---|
| <b>Personal</b> | Income replacement, mortgage protection, final expense         | Cash reserve for tax-advantaged savings and liquidity       | Supplemental retirement income, long term care/chronic illness protection | Legacy planning, charitable giving, estate liquidity  |
| <b>Business</b> | Key person   | Executive benefits retain and reward key employees          | Buy-sell agreement  | Business succession                                   |



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