

# 2024 · WHAT ISSUES SHOULD I CONSIDER WHEN PURCHASING A LIFE INSURANCE POLICY?

PURPOSE OF COVERAGE	YES	NO
In the event of your untimely death, do you want to provide support for your survivors (partner, spouse, children, other dependents)?	<input type="checkbox"/>	<input type="checkbox"/>
In the event of your untimely death, do you need to cover any debt obligations (e.g., home mortgage, car loan, credit card, or other personal debts)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to estimate and plan for the costs of your final expenses (funeral and burial, taxes, estate settlement, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have wealth transfer goals that life insurance could support?	<input type="checkbox"/>	<input type="checkbox"/>
Have you experienced a life event recently (marriage, new child, home purchase, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Is a life insurance policy necessary pursuant to a divorce settlement or under a buy-sell agreement?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to create liquidity at your death (e.g., to pay an estate tax liability)?	<input type="checkbox"/>	<input type="checkbox"/>
Do your current (and projected) assets and income fail to cover the above (or other) needs?	<input type="checkbox"/>	<input type="checkbox"/>
Are you concerned about your future insurability?	<input type="checkbox"/>	<input type="checkbox"/>

COVERAGE AMOUNT	YES	NO
Do you need to consider the financial impact that your death would have on those who depend on you financially?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to compare methods of calculating the right amount of death benefits? If so, consider the following approaches: <ul style="list-style-type: none"> <li>Multiple of Income — Choose a death benefit to replace your current annual income multiplied by a factor (e.g., 10 or 15).</li> <li>Human Life Value — Calculate the present value of your estimated future earnings throughout your life expectancy. (continue on next column)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

COVERAGE AMOUNT (CONTINUED)	YES	NO
<ul style="list-style-type: none"> <li>Financial Needs Analysis — Calculate a principal sum that will meet your survivors' lump-sum and ongoing future income needs (target can allow for liquidation or aim for capital preservation).</li> </ul>		
Are your coverage needs temporary, or will they decrease as time passes?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any coverage currently in place? If so, consider the following: <ul style="list-style-type: none"> <li>Review the terms of the policy (premiums, death benefit, cash value, coverage term, riders, etc.), and assess whether it meets your needs.</li> <li>If you have a term policy, determine whether you can convert to a permanent policy and whether this would be advantageous.</li> <li>Any additional policies should complement or replace your current coverage. A 1035 exchange may be advisable.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

POLICY OPTIONS	YES	NO
Does your employer offer group life insurance as a benefit? If so, consider the following: <ul style="list-style-type: none"> <li>This may be a cost-effective option for many individuals.</li> <li>Review the standard death benefit offered as well as any opportunity to increase with supplemental coverage.</li> <li>If the policy is not portable or convertible, note the risk associated with leaving your employer or a decline in health.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
Will you purchase a policy directly from an insurance company? If so, review the ratings, financial strength, and history of the carriers you are considering. (continue on next page)	<input type="checkbox"/>	<input type="checkbox"/>

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POLICY OPTIONS (CONTINUED)	YES	NO
<p><b>Do you need to review the basic types of life insurance policies?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Compare different types of insurance plans, including term (annually renewable and level premium), whole life, variable, universal, and variable universal.</li> <li>■ Weigh the features (e.g., cash value, premium flexibility, death benefit guarantee, etc.) and the costs of the different policies against your financial goals.</li> <li>■ If you are married, review whether joint policy options (first-to-die or second-to-die) might suit your situation.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to consider any living benefit riders to enhance your basic coverage?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Living benefit riders could provide an advance on death benefits.</li> <li>■ Accelerated death benefit riders would provide funds if you are diagnosed with a life-threatening condition or are terminally ill.</li> <li>■ Disability and waiver of premium riders could protect you in the event you can't work and can't pay premiums.</li> <li>■ Guaranteed insurability could allow you to increase coverage in the future without an additional medical exam.</li> <li>■ Long-term care riders can allow use of your death benefit to cover costs of long-term care.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to consider any death benefit riders to enhance your basic coverage?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Death benefit riders could provide additional support to your beneficiaries.</li> <li>■ An accidental death benefit or accidental death and dismemberment rider could provide additional protection should you suffer a covered accident.</li> <li>■ A family income benefit rider could provide monthly installments, rather than a lump sum payment, if your beneficiaries would be better protected with a recurring income stream.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

MISCELLANEOUS	YES	NO
<p><b>Do you have any health issues that might present barriers or increase the costs of coverage?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need help understanding the material representations, medical exams, and other documentation you must submit during the application process?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to choose proper beneficiaries?</b> If so, be sure to properly complete beneficiary designation forms after purchasing your policy. Life insurance is a nonprobate asset, unless your estate is the beneficiary (by designation or by default).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your beneficiaries need assistance managing the proceeds?</b> If so, consider naming a trust as beneficiary. The trustee will collect the proceeds after your death and administer the trust according to your wishes.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to review the optimal policy ownership?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If properly owned by an irrevocable life insurance trust (ILIT), the death benefits of a life insurance policy will not be included in your taxable estate at your death.</li> <li>■ Review state laws regarding taxation of death benefits. Some states tax proceeds that are paid to an estate.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to create a plan to ensure premium payments are timely made?</b> If so, be sure to set up a reliable reminder of payment deadlines in order to avoid entering a grace period or causing a policy to lapse.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have children who should be insured?</b> If so, consider adding a children's term rider to your coverage as an alternative to a separate policy.</p>	<input type="checkbox"/>	<input type="checkbox"/>

	TERM LIFE	PARTICIPATING WHOLE LIFE (WL)	INDEXED UNIVERSAL LIFE (IUL)	VARIABLE UNIVERSAL LIFE (VUL)
<b>LIFE INSURANCE TYPE</b>	Term	Permanent	Permanent	Permanent
<b>POLICY CATEGORY</b>	Death Benefit Only	Death Benefit & Cash Value	Death Benefit & Cash Value	Death Benefit & Cash Value
<b>WHO BEARS THE INVESTMENT RISK?</b>	The insurance company	The insurance company	The insurance company	The policy owner
<b>WHAT DOES THIS TYPE OF POLICY DO?</b>	This life insurance product provides the highest level of death benefit, per premium dollars paid, on a temporary basis <sup>1</sup>	This life insurance product provides a permanent death benefit via level premiums, and accumulates cash value based on a guaranteed interest rate plus dividends	This life insurance product provides a permanent death benefit via flexible premiums, and accumulates cash value based on a fixed rate and/or interest credited tied to the performance of a market index (e.g., S&P 500)	This life insurance product provides a permanent death benefit via flexible premiums, and accumulates cash value based on the investment performance of underlying subaccounts
<b>REGARDING THE DEATH BENEFIT, WHO MIGHT CONSIDER THIS TYPE OF POLICY?</b>	Someone who wants a temporary death benefit that can be purchased with lower premiums, and is comfortable with losing that death benefit at a future date	Someone who wants a permanent death benefit that can be purchased with level and predictable premiums that are guaranteed to keep it in force	Someone who wants a permanent death benefit that can be purchased with a flexible premium schedule, and is comfortable with relying on the performance of fixed and/or indexed crediting rates to keep it in force	Someone who wants a permanent death benefit that can be purchased with a flexible premium schedule, and is comfortable with relying on the performance of investment subaccounts to keep it in force
<b>REGARDING THE CASH VALUE, WHO MIGHT CONSIDER THIS TYPE OF POLICY?</b>	N/A <sup>2</sup>	Someone who wants tax-deferred cash value growth that is guaranteed, relatively predictable, and comparable to the performance of other fixed-income or cash-like instruments	Someone who wants tax-deferred cash value growth that is not guaranteed and slightly unpredictable, but has the potential to have greater performance than that of fixed-income or cash-like instruments	Someone who wants tax-deferred cash value growth that is not guaranteed and very unpredictable, but has the potential to have performance comparable to equities
<b>WHAT DEATH BENEFIT OPTIONS DOES THIS TYPE OF POLICY HAVE?</b>	Level Increasing or decreasing (uncommon)	Level Increasing (via PUA dividend election)	Level (e.g., Type I, Option A) Increasing (e.g., Type II, Option B)	Level (e.g., Type I, Option A) Increasing (e.g., Type II, Option B)
<b>CAN THE DEATH BENEFIT EVER DECREASE DUE TO PERFORMANCE?</b>	No	No	No	Level (Type I or Option A): No Increasing (Type II or Option B): Yes
<b>HOW DOES THE CASH VALUE GROW IN THIS POLICY?</b>	N/A	Guaranteed interest rate + non-guaranteed dividends <sup>3</sup>	Guaranteed minimum fixed rate and/or non-guaranteed index-linked interest credit	Non-guaranteed performance of underlying investment subaccounts
<b>CAN THE CASH VALUE EVER DECREASE DUE TO PERFORMANCE?</b>	N/A	No	Yes <sup>4</sup>	Yes

	TERM LIFE	PARTICIPATING WHOLE LIFE (WL)	INDEXED UNIVERSAL LIFE (IUL)	VARIABLE UNIVERSAL LIFE (VUL)
WHAT ARE SOME IMPORTANT POLICY DESIGN FACTORS THAT CAN IMPACT THE PERFORMANCE OF CASH VALUE ACCUMULATION?	N/A	Minimizing the death benefit Length of scheduled premiums Allocation toward base, PUA, and term premiums (i.e., policy blending) Having dividends purchase PUAs Direct vs. Non-Direct Recognition Strategically exercising the RPU option	Minimizing the death benefit Length of scheduled premiums Level vs. increasing death benefit CVAT vs. GPT design structure Strategically changing the death benefit from increasing to level	Minimizing the death benefit Length of scheduled premiums Level vs. increasing death benefit CVAT vs. GPT design structure Strategically changing the death benefit from increasing to level
COULD THIS POLICY BECOME A MEC? <sup>5</sup>	No	Yes	Yes	Yes
HOW ARE POLICY WITHDRAWALS TAXED?	N/A	Non-MEC: First-in, first-out (FIFO) MEC: Last-in, first-out (LIFO)	Non-MEC: First-in, first-out (FIFO) MEC: Last-in, first-out (LIFO)	Non-MEC: First-in, first-out (FIFO) MEC: Last-in, first-out (LIFO)
IS THERE A PENALTY FOR WITHDRAWALS TAKEN PRIOR TO THE AGE OF 59½?	N/A	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes
ARE POLICY LOANS TAXABLE?	N/A	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes
IS THERE A PENALTY FOR POLICY LOANS TAKEN PRIOR TO THE AGE OF 59½?	N/A	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes	Non-MEC: No MEC: Yes
WHAT TYPES OF POLICY LOANS ARE COMMONLY AVAILABLE WITH THIS POLICY?	N/A	Fixed Variable	Fixed Variable Indexed	Fixed Variable
WHAT INCREASES MY COST BASIS?	N/A	Non-MEC: Contributions MEC: Contributions and policy loans	Non-MEC: Contributions MEC: Contributions and policy loans	Non-MEC: Contributions MEC: Contributions and policy loans
WHAT DECREASES MY COST BASIS?	N/A	Withdrawals and dividends taken as cash	Withdrawals	Withdrawals
IS THE DEATH BENEFIT SUBJECT TO FEDERAL INCOME TAXATION?	No	No	No	No
IS THE DEATH BENEFIT POTENTIALLY SUBJECT TO ESTATE TAXATION?	Yes	Yes	Yes	Yes

<sup>1</sup>Many term policies offer a term conversion rider. This may be a good option to consider if someone wants the option to convert their term policy to a permanent policy in the future.

<sup>2</sup>Some term policies offer a return of premium rider. These riders are uncommon and generally result in a higher premium in the policy.

<sup>3</sup>Participating WL policies offer several dividend options to consider (e.g., purchase PUAs, pay out as cash, earn interest, pay premium, pay policy loan, purchase term insurance, etc.).

<sup>4</sup>While an IUL can never have a negative rate credited due to poor performance, the overall cash value can still decrease if policy charges are in excess of the cash value growth in any given year.

<sup>5</sup>A policy can become a modified endowment contract (MEC) if it fails the 7-pay test. A MEC loses some tax advantages compared to a non-MEC policy.

# 2024 · WHAT ISSUES SHOULD I CONSIDER WHEN REVIEWING MY HEALTH AND LIFE INSURANCE POLICIES?



HEALTH INSURANCE ISSUES	YES	NO
<p><b>Are you married, and do you each have employer-sponsored health insurance?</b> If so, consider reviewing both health insurance options to see which is best for you. Review monthly premiums, deductibles, co-pays, out of pocket expenses, any employer HSA matching, and the doctors in the network.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you paying for health insurance coverage on your own (such as the Health Insurance Marketplace)?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Your coverage may automatically renew, but shop other plans before you let it auto-renew by looking at the total cost (monthly premium, deductibles, co-pays, out of pocket expenses, and the doctors in the network).</li> <li>■ If your income or family size has changed, your eligibility for subsidies may change.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you on Medicare?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If moving to a new state, review what Medicare Supplement and Advantage plans are offered in your new location.</li> <li>■ If you have lost creditable drug coverage from an employer plan, enroll in Medicare Part D within 63 days to avoid lifetime penalties.</li> <li>■ Review your drug needs as Part D and Medicare Advantage plans will change their drug coverage year to year.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

LIFE INSURANCE ISSUES	YES	NO
<p><b>Have your life insurance needs changed?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ The need to fund future expenses (such as raising children or funding college) or to fund future goals.</li> <li>■ The ability to pay off new debts (like a mortgage).</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Has there been a change to your life insurance coverage (including employer benefits)?</b> If so, consider how this would impact your financial situation.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you own any permanent life insurance?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If you haven't reviewed the policy in a few years, request an in-force illustration to review policy performance.</li> <li>■ Review the current premium, how dividends are being used, and how the cash value is accumulating.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you own any term insurance?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Review the number of years left on the policy and if a new policy will be needed.</li> <li>■ Review the conversion terms and options.</li> <li>■ If you own annually renewable term insurance, review the policy premium and if new policies may be more cost-effective.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do the owners and beneficiaries of your policies need to be reviewed?</b> If so, consider whether an ILIT is appropriate, and ensure that primary and contingent beneficiaries are properly designated.</p>	<input type="checkbox"/>	<input type="checkbox"/>

# 2024 · WHAT ISSUES SHOULD I CONSIDER WHEN REVIEWING MY HEALTH AND LIFE INSURANCE POLICIES?



DISABILITY INSURANCE ISSUES	YES	NO
<p><b>Has there been a change in employer coverage?</b> If so, consider how this would impact your financial situation if you were to become disabled.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>If your employer provides disability insurance, do you need to review the coverage to determine if it is adequate?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If you become disabled, you may be eligible for Social Security Disability in addition to employer-provided coverage. Be mindful of any Social Security offset provisions.</li> <li>■ If there is a gap between what you may receive and your income needs during a disability, you may be able to purchase additional disability insurance.</li> <li>■ If there is a job change in the future, consider purchasing private disability insurance that is not tied to an employer.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to understand any of the details of how your disability insurance works (such as waiting periods, definitions of disability, coverage amounts)?</b> If so, check your disability policy.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to review your total disability income sources (including Social Security, employer disability policies, and individual policies)?</b> If so, review the policies to see if you are under or over-insured.</p>	<input type="checkbox"/>	<input type="checkbox"/>

LONG-TERM CARE INSURANCE ISSUES	YES	NO
<p><b>Do you need to review the policy to ensure that it still meets your needs?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Review the services offered, such as home-care, assisted living, and nursing home care.</li> <li>■ Review the benefit amount (fixed or inflation-adjusted) and benefit period.</li> <li>■ Review specific features (elimination period, discounts, waiver of premiums, inflation rider, etc.).</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Have you received any notices of a premium increase?</b> If so, review the new options provided, taking into account changes in benefit amounts, COLA, premium, and elimination periods. Also, consider the insurer's history of rate increases.</p>	<input type="checkbox"/>	<input type="checkbox"/>

OTHER INSURANCE ISSUES	YES	NO
<p><b>Do you need to review your insurance company?</b> If so, check to see if there are any bundling discounts and if there have been any changes to their financial strength rating.</p>	<input type="checkbox"/>	<input type="checkbox"/>