

Find a better fit for your clients



Life Insurance Professional Analysis and Review

Life changes

Life never stands still. That's why it's so important to regularly review your client's life insurance coverage.

A client can get married. Or divorced.

Buy a new house or have more children.

Start a new business or receive unexpected funds.

Have a need for living benefits.

Become affected by changing tax laws.

Any of these or other common events can trigger an important question:

Do the life insurance policies owned by the client still make sense?

See if your client's life insurance still measures up

At Lincoln Financial Group, we've made answering that question simpler than ever. Our unique Professional Analysis and Review (PAR) approach is an impartial and convenient life insurance analysis program for you and your client.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

Two separate companies issue life insurance policies. New York policies are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. For all other states, policies are issued by The Lincoln National Life Insurance Company, Ft. Wayne, IN. These companies are separately responsible for satisfying their own financial and contractual obligations.



How PAR adds value

All of your clients should get a life insurance evaluation at least every three to five years. This periodic analysis delivers value to both you and your clients.

How you can benefit

◆ Deepen relationships

Performing PAR provides a service that can demonstrate a long-term commitment to your clients' interests, while solidifying relationships.

◆ Perform due diligence

PAR is a means to periodically evaluate clients who:

- had a positive change in health status
- own policies with loans, withdrawals, or other policy changes
- own policies in trusts that haven't been reviewed in several years

◆ Build your business

PAR gives you the chance to strengthen your relationships with trustees and other professionals, explore new business, and acquire valuable referrals.

How your clients can benefit

◆ Reassurance

Just as life insurance can help families and businesses feel secure, PAR helps reinforce clients' confidence in you and the state of their life insurance portfolio.

◆ Insurance matching their needs

When insurance needs may have changed due to a new family situation, a different career, or a shift in financial status, PAR helps provide clarity and insight for adjustments as needed.

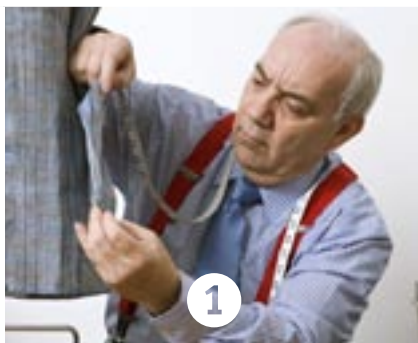
◆ More loyalty for their advisor

Your clients will appreciate your efforts to understand their changing needs and the advice you provide to meet their financial goals.

The PAR process: simple, comprehensive, and impartial

PAR gives you a simple, impartial way to gain perspective on each client's life insurance requirements, performance, and options. This is done after conducting a complete financial needs and goals analysis.

Here's how it works



Review

Review the client's current needs and purpose for life insurance.

- Interview the client
- Gather information using a Policy Evaluation Form.

Analyze

Request in-force ledgers for existing policies.

- Analyze premiums and death benefits.
- Compare in-force ledgers, policy provisions, guarantees, and other features.

Evaluate

Based on the data compiled:

- Evaluate the situation using the PAR software.
- Determine if the existing amount and type of insurance meets the client's needs.

If you have questions or need additional support, please contact your Lincoln representative.

A Policy is performing

If existing policy is performing as expected or better, and if the client's needs have not changed:



- You are finished for now, and
- Continue to review periodically to be sure policy is on course.

B Policy not performing

If existing policy is not performing as expected, or if needs have changed:



- Determine a premium increase or decrease required to reach the goal.
- Work with the client to correct the situation.

C Consider alternatives

If appropriate, consider other solutions.



- Review additional insurance coverage options with your client.
- Explain why additional coverage may be suitable. Share illustrations with the client to help them make the decision.



Some issues to keep in mind

Once you've conducted the review, you may propose solutions as simple as keeping the current policy to suggestions for exchanging the policy for a more appropriate one. Following are some examples of issues that may come up during your review.

Possible reasons to keep a policy

New surrender period

Remind your client that a new policy will begin a new surrender period. This is important if the old policy has satisfied its surrender period.

Existing loans

Policies more than 10 years old often receive favorable loan rates. These "wash loans" may not be transferable from one policy to another. Even if a new insurer will accept a loan, it may not recognize it as a tax-free exchange.

New acquisition costs

Remind your client that new policies contain sales charges and acquisition costs, which must be recouped via the payment stream. An old policy may have already satisfied these costs.

Health issues

If your client has health issues, it may be advantageous to keep the existing policy.

Legislative benefits

Tax laws can change the definition of a life insurance policy, as well as how it is taxed. For instance, contracts issued before June 21, 1988, may have some tax benefits that are unavailable with a new policy.

Possible reasons to exchange a policy

Secondary guarantees

Based on a fixed premium structure, the universal life death benefit can be guaranteed, as long as the premium is paid according to schedule. Guarantees are based on the claims-paying ability of the issuing company.

Lower mortality expenses

Many new policies have lower mortality expenses than existing policies, thanks to today's longer life expectancies and universal life policies offering more underwriting classes. It pays to compare the mortality charges.

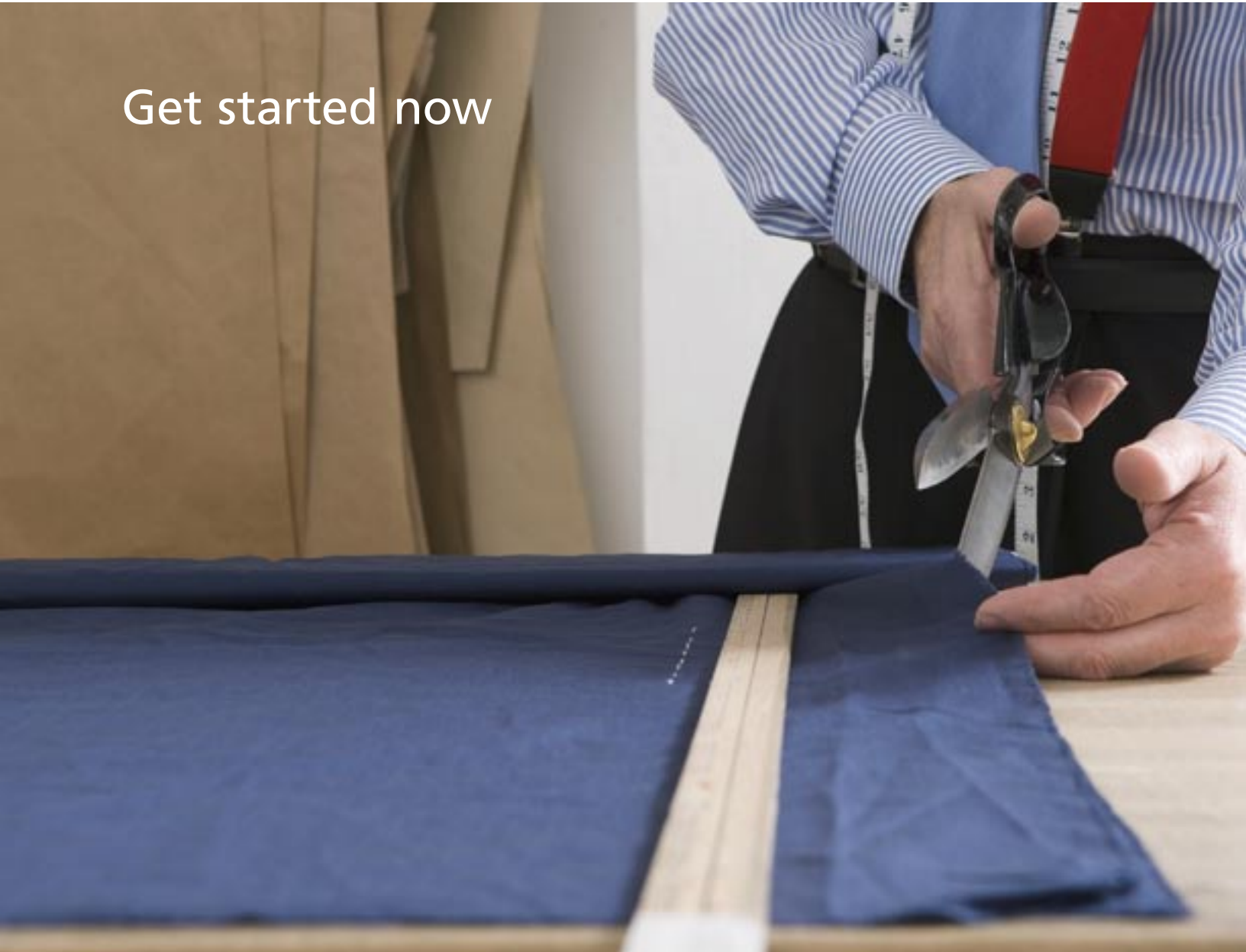
Need to access more living benefits

Clients' concerns can shift from income replacement to outliving their money in retirement. They may need to look at policies that have other living options.

Company strength

Check the most recent ratings, and the ratings criteria, of any company you are considering.

Get started now



► See how the PAR program can help you and your clients

Contact your Lincoln representative today.

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A Lincoln®

A tradition of integrity

At Lincoln Financial Group, we have a 100-year heritage of helping people find solutions to their financial challenges—with the same honesty, integrity, and responsibility that you'd expect from our namesake. It's a legacy that we proudly and respectfully continue each day. We believe our continued commitment to strength and stability is indispensable to who we are and critical to your confidence in us. We pride ourselves on being able to identify and deliver sophisticated financial strategies and product solutions for the creation, protection, and enjoyment of wealth. We are committed to helping clients redefine their retirement because we don't believe retirement is an end—it's an opportunity for everyone to start doing what they were meant for all along.

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Order code: LIF-BRC015

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