

Episode #286: Is Your Permanent Life Policy on Track?

Hi, welcome back to this week's episode of "Money Script Monday." My name is Laurence Williams. Is your permanent life policy still on track? I want you to take a moment to think about your very first vehicle that you ever drove. Mine happened to be a 1990 Ford Explorer. It was silver with four doors, four-wheel drive, manual windows, and a JVC cassette tape deck.

Now, at the time, that was one of the most premier SUVs that you could purchase. But if you think about today, the new Ford Explorers, it blows that one out of the water. It has big infotainment centers that are the size of a small computer, power windows, sunroof, you name it, these new cars got it. When you think about your current life insurance policy, it's evolved over the years in the same way that the auto industry has.

It may make sense for you to evaluate your current life policy to see whether it's still on track to achieve your financial goals. Today we're going to look at four considerations that you should make when looking at your current life policy. The first one is going to be any life changes. Now, these are going to be events that happen in your life that could affect your current financial goals. Things such as getting married or divorced, having children, perhaps taking on a new mortgage, or maybe a change in your job.

I have to say, at least once or twice a month when we're doing these evaluations, we find that policyholders have their primary beneficiaries as ex-spouses. And you can imagine the impact that that would have if you were to pass away with having somebody that you didn't want as your primary beneficiary.

The second consideration is going to be evaluating your current life policy. Now, generally, when we do this for permanent life insurance, we

do this in a way of requesting an inforce life insurance illustration. Really, there's three things that we're looking at when we're looking at that inforce illustration. The first is, we want to make sure that you have held up your end of the bargain and contributed the premiums that were first set out for that policy. Secondly, we want to make sure that you're earning the interest or dividends that you originally intended on having for that policy. And the last is we want to make sure that that policy is guaranteed to last as long as you want it to last.

The third consideration is the actual insurance company. Now, every insurance company is a little bit different. They all have pros and cons, but generally speaking, you want to work with an insurance company that is at least A-rated. And that rating comes from a score called the Comdex score. And a Comdex score is a score that looks at the financial strength of the company. So, it's important when looking at financial institutions that you work with highly rated institutions.

The fourth and last consideration is you want to verify whether or not your policy is on track, whether it needs to be modified or upgraded, or perhaps converted if it is a term policy. We have found that 7 out of 10 policies that we review are eligible for an upgrade. So, for the policyholders that are watching this today, as a complimentary offer to you, we will run a life policy review on your existing insurance to really find out one of two things.

One, we'll say, "Hey, you know what? Great news! You're eligible for an upgrade," or, two, "You know, your policy is working exactly the way that you want it, and there's no changes that need to be made." So, I encourage you to reach out to your financial advisor if this is of interest to you and request your own personal policy review. My name is Laurence Williams. Thanks for watching, and we'll see you next time.