

# Sample Client

## Life Insurance Policy Audit

Report ran: 5/6/2020

### Insured Information

The data below displays the basic information of the insured's life insurance policy along with the issuing insurance company.

<b>Name</b>	Sample Client	<b>Insurance Carrier</b>	Nationwide
<b>Gender</b>	Female		One Nationwide Plaza
<b>Date of Birth</b>	10/30/1964		Columbus, Ohio 43215
<b>Current Age</b>	55		1-800-882-2822

### Your Life Insurance Policy Summary

The current policy is a participating whole life that was purchased in 2007. This policy provides guaranteed death benefit and guaranteed cash value. In addition this policy provides dividends which are a return of premium based off the insurance companies expenses, mortality rates, investment experience and reserve requirements. Although this inforce illustration uses the current dividend scale, actual future dividends may vary. In addition dividend rates have been on a consistent decline since this policy was purchased. Please see Dividend History 12 attachment. The loan rate on this policy is 8% which is much higher than both market rates as well as competing life insurance carriers. The downside of such a high loan rate is the cost to access cash value is substantial. This significant cost can be seen in non guaranteed income projections on the inforce illustrations. At age 65 the illustrated non guaranteed income is \$98,762 per year. In addition here is a \$49,891 contractual premium due so the net income after contractual premium equals \$48,571. This policy does offer guaranteed cash value however the downside is less upside potential.

An alternative plan was designed to compare against the current policy. The comparison policy chosen is an Indexed Universal Life which offers higher projected cash value growth in addition to significant income projections. The downside is the contractual guaranteed cash value and death benefit is lower than the current policy. The cash value projection was discounted by over 20% in order to provide a more conservative and realistic projection. Note the current whole life projection assumes 100% of current dividend scale with no reductions. The long term non guaranteed cash value of the comparison plan far exceeds that of the current policy. In addition the comparison plan offers a contractual 5.30% maximum loan rate which substantially increases projected income potential. The illustrated income at age 65 is \$165,274 with \$0.00 in annual premium. The net illustrated income at age 65 is over 3x higher than the current policy.



**CONSIDER  
REPLACEMENT**