

# POLICY REVIEW

## CONCEPT KIT

Ensuring Clients' Life Insurance  
Still Protects Their Needs



NOT FOR CONSUMER USE.

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**Prudential**

**DID YOU KNOW?** People often assume that they never have to review their insurance needs—it's a common misconception about life insurance.

This kit has been designed to help you develop an effective, systematic approach to meeting with clients and prospects and discussing policy reviews.

**KEY SECTIONS OF THE KIT:**

- **CONCEPT INTRODUCTION**
- **ACTION PLAN**
- **CLIENT PROFILES**
- **CLIENT CONVERSATION POINTS**

# LIFE INSURANCE POLICY REVIEW



Policy reviews offer you a unique opportunity. They allow you to reconnect with clients or connect with prospects about their protection needs. For clients, you can see what changes have occurred in their lives, and, for referrals and prospects, it can be an eye-opening review. A policy review also offers you the chance to talk about whether or not the life insurance policies they purchased are still the right policy type and coverage amount to meet their current needs. Reviewing policies and making sure clients' coverage is still appropriate is as important as—and in many ways more important than—the initial policy purchase.

That's because life changes, but a life insurance policy may not. A successful policy review can:

- Examine life changes.
- Analyze current policy performance.
- Locate coverage gaps.
- Offer suggestions to fill those gaps.
- Potentially offer new and innovative solutions.
- And, offer a new coverage framework that reflects their current needs.

But policy reviews work only if you actively seek out clients and conduct the reviews.

Ask clients if they own life insurance and, if they do, when they last had their coverage professionally reviewed.

## When should I conduct policy reviews?

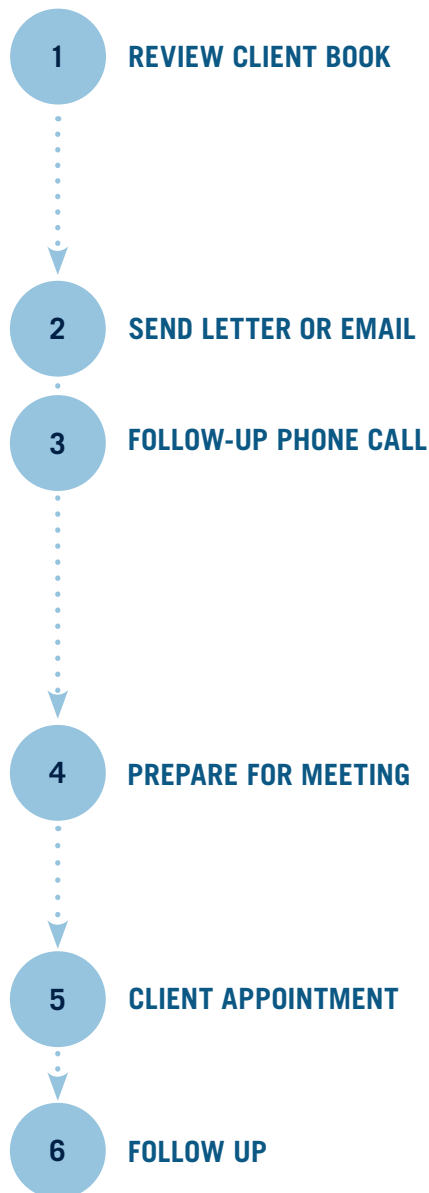
### EACH YEAR

Clients who have complex coverage situations like trusts, business continuation plans, etc. would benefit from a yearly reminder to review their coverage to make sure it is still adequate and appropriate.

### life events

On a rolling schedule, reach out to clients who have recently experienced a life event to discuss the need for a policy review as a result of a recent change.

# Action Plan for Success



A successful approach for conducting policy reviews is to **focus on 10 clients at a time**, following each of the steps below. Once you finish all of the steps with those clients, select 10 more and repeat the process.

## TARGET CUSTOMERS

Review the *Client Profiles* in the next section and select the client groups that provide the most opportunity.

**Step 1:** With the profile you've chosen in mind, review your client lists to discover who might benefit from a policy review.

## CONTACT

Contact the client or prospect to introduce them to the idea and to set up a meeting.

**Step 2:** Send a letter or email to 10 clients about the benefits of conducting a policy review. The letter/email template is available on PruXpress.

**Step 3:** Follow up your letter or email with a phone call to check in with the client, ensure they received your communication, and ask them for a meeting. You can review and use the talking points in the *Conversation Points* section.

## MEETING

Once a meeting is scheduled, the focus shifts to having the proper tools ready to conduct a policy review and offer new coverage solutions if appropriate.

**Step 4:** Prepare for the meetings with material you will need for each client. This may include the Policy Review Request form, an in-force policy illustration for existing policies to help you quickly identify needs and coverage gaps, or other helpful material available to you.

If the client owns life insurance elsewhere, ask him/her to order an illustration prior to the meeting.

**Step 5:** At the meeting, walk the client through the Policy Review Process and, if coverage needs have changed, use illustrations and marketing material to offer a number of options. Explore possibilities to enhance or enrich the client's protection.

**Step 6:** Follow up with the client to discuss additional coverage needs or to set up a time in the future (you can recommend an annual review based on their financial circumstances) to review their coverage.

# Client Profiles

JUST MARRIED



NEW HOME

RECENTLY RETIRED



You should conduct periodic policy reviews with all clients. However, some clients are more likely than others to have an immediate coverage need. Start your *Action Plan for Success* with them. Once you have experienced positive results with this group, you can widen your net to focus on additional clients.

Clients who may have coverage gaps and would benefit from a policy review include those who have:

- Recently purchased a home.
- Recently gotten married.
- Added a new member to the family.
- Recently retired and are interested in estate planning.
- Started or continue to grow a business.
- Recently received a promotion or changed jobs.

Also consider those who have:

- College-age children.
- Elderly parents who are or may become dependent on them.
- Concerns about becoming chronically ill in retirement.
- Different financial goals than in the past.

## Plan to build policy and client reviews into your weekly marketing efforts.

Consider these talking points as a guide when you reach out to the group of selected clients or prospects about conducting policy reviews.

- “I was recently reviewing client files and I noticed your current policy is XX years old. I wanted to reach out to you to review the policy, answer any questions you may have, and ensure the beneficiaries listed are still correct.”
- “Since you purchased your policy, have you experienced any life-changing events like having children, getting married, or purchasing a home? If so, we should discuss your current coverage amount to see if it is still meeting your needs.”
- “Life changes—I know my life is very different from when you purchased your life insurance policy from me. I’d like to get together and review your coverage and needs to see if your life insurance policy will still adequately protect you and your loved ones.”
- **For clients who may not have a life insurance policy with you:**  
“Do you have any life insurance coverage outside of what your employer may offer? If so, how has your life changed since you purchased this coverage? When was the last time you reviewed this policy? Is your life insurance still enough to cover you and your loved ones? I’d like to review your protection needs with you.”

# Conversation Points

# The Policy Review Itself

Be sure to let clients know that a policy review is not always a precursor to a change in coverage.

You want the review to be an organic process where the client discovers additional insurance needs for him/herself—avoid creating a sales atmosphere and instead focus on making the meeting an informational session for both you and the client. Remember each household may have multiple policies—be sure to review each one.

POLICY  
REVIEW



A complete policy review should involve more than just a current life insurance death benefit analysis. Look holistically at the clients' lives and their coverage and be sure to review:

## PROTECTION AMOUNT

If the client's goal is income protection, review and ensure the death benefit is large enough for his/her loved ones to maintain their current standard of living or ensure the successful continuation of a family business. If the client's focus is estate protection, ensure his/her current death benefit will cover today's estate settlement costs.

## ANNUAL PREMIUMS

Review how much clients are paying for their policy(ies) each year. Is there a way their protection goals can be met in a more economical way? Have their protection needs and policy goals changed since they first purchased their coverage?

## OWNERSHIP STRUCTURE

Is the current policy ownership structure the most tax-efficient for the client's goals? If the client has a business, have there been any significant changes that would necessitate a change in policy ownership?

## BENEFICIARIES

Are the clients' beneficiary designations up to date? Have they properly addressed all of their legacy intentions? A policy review is a great time for clients to make any beneficiary changes that may be needed.

## SUPPLEMENTARY BENEFITS

Are there any optional riders or benefits that have been introduced since they purchased their policy that may help meet their current protection needs? If their coverage included optional riders, are they still relevant and applicable?

## CASH VALUE AND PERFORMANCE

Is the performance of the client's policy meeting his/her expectations? Does the policy contain enough cash value to sustain the policy or help supplement his/her retirement income?

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