

CHAMPION AGENCY, INC.

# Quick Start Kit to Policy Refinancing

Ask each client:

With the way the economic and financial environment has been the last several years, don't you think it would be prudent for us to perform an AUDIT or fair market analysis on your insurance portfolio to determine if it's performing according to your objectives and original intentions. After all, you routinely and periodically desire an audit of your investment portfolio, therefore why wouldn't you desire the same for your insurance program. We are willing to offer this service free of charge so all we need is some information.

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# Inforce Policy Review

Date: \_\_\_\_\_

Carrier: \* \_\_\_\_\_

From: \_\_\_\_\_

Subject: \_\_\_\_\_

Policy #: \* \_\_\_\_\_

Owners SS #: \* \_\_\_\_\_

- **We request the following Inforce illustrations with the following parameters:**

[ ] If policy is a General Account Product then:

1. At current premium and current interest rates.
2. At current premium and at 100 basis points below current interest rates.
3. Please solve for premium to endow the policy at full-face amount at current interest rates.
4. Please solve for premium to endow the policy at full-face amount at 100 basis points below current interest rates.

Questions:

1. What is the present rate of interest credited to this policy?
2. For how long will that rate be guaranteed?

[ ] If policy is a Variable life Product then:

- a) At current premium, with current charges, and at Gross Rates of 6%, 8%, and 10% respectively (3 separate illustrations).
- b) If policy does not endow at maturity, please run illustrations solving for premiums needed at Gross Rates of 6%, 8%, and 10% (3 separate illustrations).

What is the present cash value/cost basis? \$ \_\_\_\_\_ / \$ \_\_\_\_\_

What is the current surrender value? \$ \_\_\_\_\_

Please provide a copy of the wording in the policy that address's the eventuality of the policy maturing, in respect to the following:

1. What will occur with regard to the policy proceeds?
2. What will any attendant tax consequences be?

Please send a duplicate copy to my financial advisor/insurance agent:

Thank you for your prompt attention to this matter.

\_\_\_\_\_  
Policy Owner

\_\_\_\_\_  
Date

# Current Client Data

**Insured:** \_\_\_\_\_

**Second Insured:** \_\_\_\_\_

**Date of Birth** \_\_\_\_\_

**Date of Birth** \_\_\_\_\_

**Gender: M/F/U**

**Gender: M/F/U**

**Nicotine User: Yes or No Type: \_\_\_**

**Nicotine User: Yes or No Type: \_\_\_**

**What is the client's current state of health?**

**Are any of the above clients taking any current medications?**

**If so, provide names of the prescriptions.**

**Any health problems whatsoever?**

**Normal height and weight?**

**Blood pressure medication?**

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# LIFE INSURANCE REVIEW FACT FINDER

What do you intend to ultimately do with these assets?  
Do you need the income from these assets to meet your monthly living expenses?

## Taxed Now Assets

*(Income tax may be payable on interest, dividend income and capital gains)*

| Description                | Is Income Needed?        |                          | Where Do You Ultimately Want These Assets To Go? |                          |                          |
|----------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|
|                            | Yes                      | No                       | Children   | Grandkids                | Charity                  |
| Savings Accounts \$ _____  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Checking Accounts \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| C.D.s \$ _____             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Stocks \$ _____            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Bonds \$ _____             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Mutual Funds \$ _____      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Other \$ _____             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Sub-Total</b> \$ _____  |                          |                          |  |                          |                          |

## Taxed Later Assets

*(May be subject to income and estate taxes)*

| Description                 | Is Income Needed?        |                          | Where Do You Ultimately Want These Assets To Go? |                          |                          |
|-----------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|
|                             | Yes                      | No                       | Children   | Grandkids                | Charity                  |
| IRAs \$ _____               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| 401(k)/403(b) \$ _____      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Fixed Annuities \$ _____    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Variable Annuities \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Savings Bonds \$ _____      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Other \$ _____              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Sub-Total</b> \$ _____   |                          |                          |  |                          |                          |

## Taxed Never Assets

*(May be subject to estate taxes)*

| Description                      | Is Income Needed?        |                          | Where Do You Ultimately Want These Assets To Go? |                          |                          |
|----------------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|
|                                  | Yes                      | No                       | Children   | Grandkids                | Charity                  |
| Roth IRAs \$ _____               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Muni-Bonds \$ _____              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Ins.-Husband \$ _____       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Ins.-Husband \$ _____       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Ins.-Wife \$ _____          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Ins.-Wife \$ _____          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Ins.-Joint \$ _____         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                         | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Sub-Total</b> \$ _____        |                          |                          |  |                          |                          |
| <b>Total All Assets</b> \$ _____ |                          |                          |  |                          |                          |

**CLIENT INFORMATION**

|                         |            |
|-------------------------|------------|
| <b>Client Name</b>      | <b>DOB</b> |
| <b>Spouse Name</b>      | <b>DOB</b> |
| <b>Children's Names</b> | <b>DOB</b> |
|                         | <b>DOB</b> |
|                         | <b>DOB</b> |
|                         | <b>DOB</b> |

**SUMMARY FOR TAX-EFFICIENCY CHECK-UP**

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**Not insured by FDIC or any government agency. Not a deposit. No bank or bank affiliate guarantee. May lose value.**

# What is a Policy Review Program?

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First and foremost, a policy review program is not a replacement program. It is a simple service that Champion Agency, Inc. provides to help you evaluate your client's existing life insurance coverage.

## Why is a Policy Review Program necessary?

Your clients' lives are changing constantly, and each change can affect their financial situation and needs. However, during times of change, many people fail to evaluate the effect on their life insurance coverage. Any variety of factors may influence the effectiveness of their life insurance coverage without their realizing. The list begins with such things as:

- Marriage • Birth or adoption of children
- Purchase of a new home • An inheritance
- Divorce
- Birth or Adoption of children
- An inheritance

### **And it continues with the less obvious...**

- New job in or promotion that has resulted an increased standard of living
- Increased debt burden
- College education concerns
- Interest in charitable giving
- Sudden interest in financial planning due to a death in the family
- Ownership in a business
- Interest in planning for retirement

## **Client Profile**

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In, general, the following types of clients would welcome a policy review.

- Individual's age 35 to 75
- have owned a permanent policy (or policies) for at least 5 years
- are in good health
- have expressed an interest in wealth creation for their families  
may have an estate tax problem

## Steps for a Successful Policy Review

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### **BROKER RESPONSIBILITIES;**

1. Profile your book of business with your Champion wholesaler to identify clients for a policy review.
2. Contact those clients by phone or by mail.
3. Obtain your client's current life insurance annual statement, illustration and/or policy. Review the following; - family, career, lifestyle changes since the original policy was purchased
  - your client's basic financial objectives to be met by the policy (i.e. death benefit protection, death benefit protection and supplemental retirement income, estate planning, etc.)
  - positioning of the life insurance policy - be sure that the owners and beneficiaries are correct for your client's present lifestyle and family needs
  - the face amount and historical performance of the policy - be sure the amount of life insurance is adequate for current and future needs and discuss whether the underlying funds are performing as expected.
4. Note the answers and any other comments on the Policy Review Request Fax Sheet.
5. Send the completed fax sheet, client's policy and most recent annual statement to Champion Agency, Inc..

## Champion Agency, Inc. Responsibilities

1. Review client information provided.
2. Indicate if the coverage:  
 effectively meets goals,  ineffectively meets goals,  
 exceeds current needs, or-  does not meet current objectives.
3. If the coverage does not meet goals or objectives, provide details and any materials that are needed.
4. If client decides to purchase additional life insurance coverage, provide application, underwriting and policy issue expertise.

## Checklist for Conducting Policy Reviews

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The following checklist can help guide you through the policy review process by providing an overview of some common items to consider.

### #1

Collect copies of all current policies and statements to obtain the following information:

- |  |  |
|--|--|
| <input type="checkbox"/> Face amount(s)    | <input type="checkbox"/> Outstanding loan(s)             |
| <input type="checkbox"/> Cash value(s)     | <input type="checkbox"/> Ownership structure             |
| <input type="checkbox"/> Annual premium(s) | <input type="checkbox"/> Surrender charges and durations |

### #2

Review your client's goals and determine if the goals have changed since the last policy review:  
List goals in order of importance:

1) \_\_\_\_\_ , 2) \_\_\_\_\_ , 3) \_\_\_\_\_

### #3

Determine if your client has experienced any life changes since the last policy review. If so, there may be a definite need for a formal policy review.

- Change in employment status, including new job or promotion
- Marriage, divorce, or death of spouse or child
- Birth or adoption of a child
- Child or children "left the nest"
- Purchase of a new home
- Significant change in assets, such as high gains, losses or an inheritance
- Increase or decrease in debt load

**This list is not meant to cover every situation. Let your client's individual circumstances and best interests be your guide.**

# Policy Reviews Add Value to Client Relationships

At “Champion Agency, Inc.,” selling life insurance means more than growing the bottom line. It means meeting claims obligations for those who have depended on us. And it means helping clients “take sure their coverage objectives are still being met as their lives change.

Through life insurance, clients are seeking to help ensure that personal loss is not compounded by financial loss for their loved ones or business associates. Effective policy reviews on a regular basis can help make sure their intentions are not lost.

This is why Champion Agency, Inc. offers clients a no cost and no obligation policy review service through you, their brokers. You simply collect a client's current polices information and then work with a Champion Agency, Inc. representative who will evaluate coverage with respect to the client's stated objectives.

## **Three important components of life insurance are reviewed:**

- ***Death Benefit:*** Is your client's death benefit coverage enough to meet the changing financial objectives and obligations of his or her family or business?
- ***Ownership Structure:*** Will the current ownership structure result in the lowest tax liability, or is there an alternate solution that could save the policvowner's beneficiaries money in the long run?
- ***Beneficiary Designations:*** *Are* the currently named beneficiaries still the appropriate recipients of the life insurance death benefit proceeds:

Gaps or inefficiencies in any of the above can sometimes result in new opportunities with your existing client base. And, by always keeping their best interest in mind, you can strengthen tour relationships and perhaps gain referrals along the way.



Champion Agency, Inc.- Letter Sent by Partners  
Produce on Partner Letterhead

<date>

<client's name>

<address>

<city, state, zip>

Dear <client's name>:

Life insurance can be an important element in your financial portfolio. Insurance can be a useful tool for a number of good reasons including: financial protection for your business, your family and as part of an estate planning strategy.

Like your investments, I recommend that you regularly review your life insurance contracts and coverage needs in an ongoing effort to maximize the efficiency of your plans. As your financial consultant, I can work with you to identify the right combination of life insurance coverage to help you achieve your financial goals, and help you determine if the contracts you currently hold are providing you with the most cost effective approach.

Life insurance rates on both term and permanent insurance have been decreased dramatically over the past five years. Policy designs and planning strategies have also been modified to make insurance products attractive supplement to other investments.

I will be calling you to set up a time when we can discuss the benefits of an insurance review. In the meantime, please contact me with any immediate questions or concerns. I appreciate your trust and look forward to talking with you soon.

Sincerely,

<name>

Business & Estate Planning