

Learning to Read Life Insurance Policies

Look for the following information:

Name of the insurance company:

What kind of insurance policy is it? Term - Whole Life - Universal - Accidental

What is the name of the insured person?

What is the premium mode?

What is the modal premium?

What is the death benefit?

Who is the beneficiary or beneficiaries?

Are there any riders on the policy?

Accidental death, term, premium waiver, spouse, children...

Does the policy have accelerated or living benefits?

If this is permanent insurance, is there a date that it will be paid up?

If this is term insurance, when does it renew?

What is premium at renewal?

Advanced information – call* the insurance company:

Are there any outstanding loans on this policy?

Is there a cash value accumulated in this insurance policy?

Does the premium remain level, or will it change at a later date?

* Google the insurance company to find their customer service number (usually toll-free). They will ask the client's permission to speak to you, may need the client to provide identifying information.

"You actually have the old kind of life insurance. The kind that only pays when you die. If I put together something that might make sense for you, that would give you access to benefits if you became critically or chronically ill, I'm sure you would want to see that, am I correct?"

Critical and chronic illness statistics Cancer: 1 in 3 women, 1 in 2 men...

Script (phone or face-to-face):

Hi, Uncle Bob, it's Tim. Are you and Aunt Mary doing well?

I wanted to give you a call, I'm working in a new industry, Financial services. It's part time, while I learn, I expect to go full time sooner than later.

I'm currently learning about life insurance – I'm sure that you and Aunt Mary have life insurance in place, that's actually the reason I'm calling– my current training assignment is to read as many life insurance policies as I can, to learn about the different types of life insurance and policies that are available.

Would it be okay if I stop by for about 15 or 20 minutes and just read over your life insurance policies? I'm thinking Sunday afternoon after lunch, somewhere between 2 and 5 PM – will you be home then?

–You don't currently have any life insurance? Then it would probably be a good idea for me to stop by and tell you about what we have. Is Sunday afternoon good for you?

– Oh, your life insurance is at your job? I understand that means you don't really have control of it–if you leave or retire the insurance goes away– Is that correct? It would probably be a good idea for me to stop by and tell you about what we have available– is Sunday afternoon good for you?