



## Not All Life Insurance Is Equal

### *How to Make Sense of Competing Insurance Proposals*

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Looking for the best product to satisfy a current need is not as easy as one may think. Just because one illustration may look better than another does not necessarily mean it's the best unless one is basing an opinion on contractual guarantees. Sadly very few purveyors of insurance products sell strictly on contractual guarantees. Where is the sizzle in doing that? All the hype, bells and whistles, colorful conceptual presentations and the gift of gab just seem to cloud the reality of buying experience.

A perspective buyer more often than not has been introduced to a purveyor (or salesman) by a friend or associate, or more frequently via the Internet. But caveat emptor! What may appear to be competitive may not provide a safe solution to your objectives.

Here are some of the issues that a perspective buyer needs to think about when considering life insurance:

#### Term Insurance

- Are the rates guaranteed?
- Are there conversion limits (do you have to convert within a specific time period or age)
- What happens if one's health changes (are favorable conversion products available)

#### Universal Life, Variable Universal Life, Indexed Universal Life

- Is the death Benefit guaranteed
- Are the expense charges guaranteed
- Are the premiums guaranteed
- What happens if projected rates of return fall
- Is there a chance of the policy imploding
- Have you really been told what the real premiums should be

#### Whole Life Insurance

- Interest Sensitive
- Dividend paying
- Adjustable Whole Life
- Term Riders
  - o Are these riders adjustable, removable, and convertible?

While it is admirable to want to direct business to a friend or associate we would suggest that it is paramount to protect yourself and making sure that what is being proposed provides the workings of the actual contract.



If at all possible ask to see a sample insurance contract of the product being offered. DO NOT BUY INSURANCE OFF AN ILLUSTRATION. While a proposal may look good, it's been our experience that not enough insurance professionals have ever read the contents of the insurance contract actually being offered for sale. If the individual who is presenting a specific product cannot or tries to dismiss the need to present such contract before the actual application we strongly suggest that you run for the hills.

Yes, most contracts provide a 20-day free look but have you ever looked at any insurance contract in its entirety? Better yet has your ego gotten in the way of asking your salesman exactly what certain policy provisions actually mean? Be honest!

So many times we hear from clients "That not what I was told" but at that point it is too late. As the buyer you have options:

- Read the entire contract and understand it;
- Ask questions and don't be embarrassed (as they say an informed client is an educated client), and;
- Obtain an opinion from an unbiased professional who does not sell product. The peace of mind is invaluable.

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April 2012