

Having the Life Insurance Discussion

As trusted advisors, we are in a unique position to understand and help guide our clients' most important life decisions. Those decisions revolve around the changing nature of their life goals as they enter into different phases of their life. For a young family, income replacement is paramount. For a couple who is entering their pre-retirement years, maximizing asset growth and protecting retirement assets is often their top concern. For business owner clients who are within ten years of exiting their business, protecting the value of the business and ensuring the succession of the business to the next generation of ownership is often what keeps them up at night.

So how do we help them understand how life insurance fits into the picture? How do we help them examine the tremendous leverage and liquidity life insurance can provide to allow them and their families to thrive not only today but for many generations to come?

The answer lies in our ability to ask the tough questions- questions that make the difference in leading our clients towards clarity, peace of mind and powerful decision making. Questions that ultimately lead to solutions which impact generations beyond what our clients can see today. Here are a few questions that can help start the dialogue:

Questions for clients who do not own life insurance:

- How do you see life insurance and its role in your overall plan?
- What have your previous experiences been involving life insurance?(their attitude today plays a key role in their decision making)
- Do you understand the tax advantages and living benefits of life insurance?
- Has anyone ever shown you how different types of life insurance work and why they are purchased?
- Have you seen how life insurance is used effectively by business owners to create the liquidity necessary to ensure a business transition?
- Do you understand how key person insurance can vary depending on a business objective?(indemnify the business from a loss vs. retention of key people)

Questions for clients with existing life insurance:

- Why did you buy the life insurance you currently own?
- If owned by a trust, who is the current trustee? How long has it been since you have reviewed the trust(s) and beneficiaries in the trust?
- Do the current trustee(s) and trust provisions reflect your objectives today?
- Has anyone recently offered to review your current policies?
- Have there been any changes in your recent health that may lead us to consider converting your existing term policies?

These are not easy questions, but they are vitally important in helping our clients understand the impact that properly structured and funded life insurance policies can have for them and their loved ones. As we work to help them accomplish their most important goals, take the time to help educate them on the "why" and "how" of sound life insurance planning. You don't have to be the expert. Begin the dialogue and lean on us for help in guiding them towards the best possible solutions.