UNDERWRITING ADVOCACY CUTS PREMIUM OUTLAY IN HALF ON SENIOR COUPLE'S $12M POLICIES

RESULTS ACHIEVED BY LEVERAGING LONG-TERM CARRIER RELATIONSHIPS & SECOND OPINION FROM IN-HOUSE MEDICAL DIRECTOR

SITUATION

John Howell[1], age 61, is a retired owner of manufacturing company. He and his wife, Jeanine, also 61, owned three life insurance policies totaling $12M with a premium outlay of over $100,000.

- Two policies on John's life totaled $2M with a premium outlay of $32,000.
- A $10M survivorship policy had a $77,000 premium outlay.

THE CHALLENGE

The couple's CPA thought the Howells were potentially overpaying premiums and encouraged them to get a second opinion through a Valmark Advisor.

RESCUE

Valmark's product specialists reviewed the policies and determined the Howell's could reduce their premiums as long as both insureds received standard or better underwriting offers.

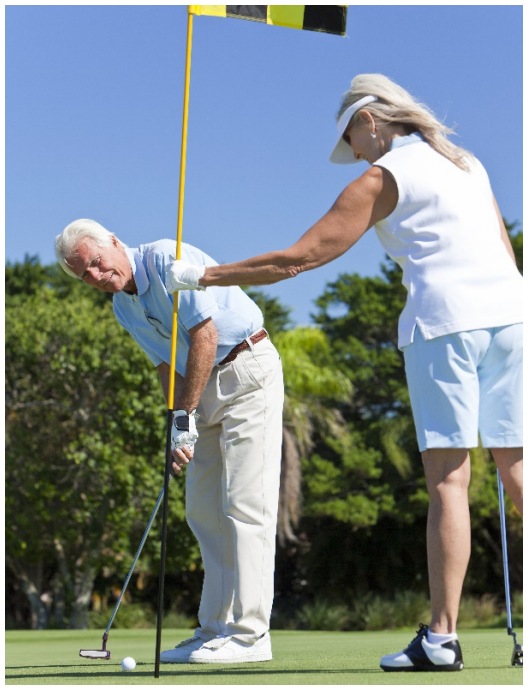
JOHN'S 2 POLICIES: Using only a recent executive physical as evidence, we helped John maintain the same $2M death benefit with no further premium outlay by facilitating a 1035 exchange to a new carrier.

SUVIVORSHIP POLICY:

Better pricing available but a surprise medical condition emerged. The team determined they could save the Howell's $29,000 in premium if they could obtain better underwriting rates through a 1035 exchange to a new carrier. However, medical records showed a kidney impairment on Jeanine which resulted in an initial offer of Table D, which was uneconomical.

Second medical opinion results in better offers. Jeanine, who had not undergone an insurance exam up to this point, was examined via our proprietary large case process. After the labs came back, our in-house Medical Director submitted a written second opinion and we sent a quick quote to the market-place. We received several more favorable offers and used those as leverage with the initial carrier.

Long-standing carrier relationship plus second opinion result in best possible pricing. The initial carrier re-examined the entire file and agreed to a technical assessment of Table B. Leveraging our long-term relationship with the carrier, we asked for and received a business exception to Standard. Ultimately, the Howells received and accepted an offer with the one carrier that had the product and underwriting offers that fit the team's initial premium-saving scenario.



TAKE AWAY

POLICY	INITIAL PREMIUM / YR.	NEW PREMIUM / YR.
John's 2 Policies	$32,000	$0
Survivorship Policy	$77,000	$48,000
Total	**$109,000**	**$48,000**

This savings would likely result in over $1M in premium savings over the Howell's lifetimes with no change in death benefit.

[1] Client name has been changed to protect confidentiality. Each client's experience varies, and there is no guarantee that underwriting advocacy will generate a better offer or table rating.

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