



# LIFE INSURANCE MADE SIMPLE

## Guide for financial professionals

Investment  
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- Not FDIC insured
- Not insured by any federal government agency
- Not a deposit or other obligation of, or guaranteed by, the bank or any of its affiliates
- Subject to investment risks, including possible loss of the principal amount invested

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# Life insurance might seem complicated – but it doesn't have to be

Life insurance can be a critical part of your clients' financial and protection planning. Yet 41% of Americans don't own any type of life insurance — individual or group.<sup>1</sup> Offering protection-focused products that fit your clients' coverage gaps can be a simple solution for their needs that also helps grow your business.

Use this step-by-step guide to discover how easy it can be to offer life insurance, anticipate and meet the needs of your clients, and sustain your business strategy.



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# Build your business while protecting your clients with life insurance

## It's more than just protection

50% of Americans do not currently own any type of life insurance.<sup>2</sup> In fact, you likely have current clients who lack the coverage they would need to protect their loved ones from future financial hardship in the event of an unexpected death.

Offering life insurance is a great way to grow your business, increase revenue and retain clients while helping them protect what matters most. Life insurance can provide protection to your clients' beneficiaries, but can also protect policyholders while they're still living. This makes life insurance a valuable planning tool for clients - and a valuable revenue stream for your business. Let's take a look at some common reasons clients should purchase life insurance.

Discover some of the primary ways life insurance can enhance a client's financial plan:

## Short- and long-term protection needs



### Family income replacement

Life insurance benefits can help survivors maintain their standard of living, despite the loss of earnings in the event of a client's unexpected death.



### Mortgage protection

Death benefits can be used for mortgage payments of paying off the balance so a client's loved ones can stay in their current home.



### Children's education

A properly structured life insurance policy can provide college funding in the event of a sudden death.



### Retirement income for your surviving spouse

Insurance can help a surviving spouse continue funding for retirement.



### Living benefits

Some policies offer cash value potential and optional riders that can accelerate the death benefit to help cover long-term care, chronic, critical and/or terminal illness care.



### Legacy planning

Death benefits can be used to leave a legacy for loved ones or charitable organizations.



### Business protection and continuation

A buy-sell agreement funded with life insurance proceeds can be a powerful tool for business continuity.



### Estate Planning

Death benefits can cover estate taxes and other liabilities so that survivors can avoid the sale of assets.



### Retirement income

Cash value life insurance policies can be used to supplement income in retirement.

Show clients how attainable life insurance can be - as well as the cost of not having it.

[Download "Numbers to know" PDF](#)





## Identify life insurance opportunities

A simple way to start offering life insurance and increase revenue is by identifying life insurance opportunities that already exist within your client base. Clients who have experienced the lifestyle changes listed below could benefit from life insurance - and you could benefit by being the one to offer it.

- Marriage or divorce
- Purchasing a new home
- Childbirth or adoption
- A new job or career change
- Desire for supplemental savings
- Significant changes in their income
- Starting, owning or selling a business
- Financial support of an elderly parent(s)
- Nearing retirement
- Change in tax obligation

## Identify opportunities worksheet

Once you begin to listen and identify opportunities, it's important to have a resource to help make sense of it all. This worksheet will help prepare you to facilitate a conversation to get a better sense of your clients' immediate and long-term needs.

[Download worksheet page](#)

Identified prospects			
Client Name	Married or Single	Triggering life event	Opportunity

## Start the conversation with confidence

It takes practice to start a conversation about life insurance that flows naturally. Rest assured, we're here to help and guide you with these tips and suggestions as you work to develop a strategy that feels right for you.



### Add life insurance to the agenda

This sets a clear expectation that you will be talking about their life insurance needs while discussing their overall financial portfolio.



### Reference your identifying opportunities worksheet

Review how recent life changes might affect your client's life insurance needs.



### Ask questions that relate to their financial strategy

For example, "Have you considered how your family would cover the mortgage if you weren't around?"







## Build confidence with conversation starters

Use the following prompts and talking points to get the discussion moving in the right direction:



### Who do you love and what plans have you made to protect them?

Let's discuss their needs and consequences if they were to lose your income.



### You've probably secured enough homeowner's insurance coverage to replace your home, correct?

Of course, no amount of money can replace your life, but what about replacing your income for the ones you love if something were to happen to you?



### You've built quite a business for yourself and your family.

How are you and your partner going to maintain the business if something happens to one of you? What is your business continuation plan?



### I know you took the important step of getting life insurance several years ago. Has your [lifestyle, work, business, family situation] changed since then?

Have you reviewed your life insurance coverage since the change(s)? Are there any changes you think you need to make?



## Make the pivot

"Based on what you're saying, you might benefit from life insurance, let's explore it."

**Protective**

**Is it time to consider life insurance?**

Answering these questions will help you determine if you need life insurance. Take the quiz now!

1. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
2. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
3. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
4. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
5. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
6. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
7. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)
8. How much money do you need to cover your family's living expenses if you were to die? (1/4) (1/4)

[Download quiz](#)

Looking for another way to start the life insurance conversation? Share this quiz with clients ahead of your next meeting.

[Download quiz](#)



## Overcome objections

Even after successfully transitioning the conversation to the topic of life insurance, you may experience client objections. No one likes to think about the what-ifs, especially when it means thinking about unexpected death. But what would happen if they passed away today? Would their family or other loved ones be able to maintain their financial stability?

No matter their objections - cold feet, thinking it's too expensive, or not believing they need coverage - make sure you're prepared to navigate the conversation with confidence. The following list captures some of the most common client concerns and conversation prompts that can help you address their objections.



### "I can't afford it."

You may not think you can afford life insurance now, but we can **customize a plan to fit within your budget**. If cost is a concern, think about what would happen to your family if you're not around. Would they be able to get by without your income a month after you passed? Did you know that 44% of households would feel financial hardship within six months if the primary wage earner died?<sup>1</sup> That's where life insurance can help, and I can help you find a policy that meets your needs.



### "I'm covered through my employer."

You may receive life insurance as part of your employee benefit coverage, but **you're most likely under-insured**. These policies are typically only one or two times your salary while many experts recommend having at least ten times your current annual income. Plus, if you leave the job, it's typically the type of insurance that doesn't "move on" with you. Do you know if your policy will carry on if you leave?



### "I don't have children."

Children are a big reason why people get life insurance, but it's not the only one. **Life insurance can provide living benefits** that can help offset costs related to long-term or chronic illness care, and you can use a cash value policy to help fund your retirement. You can also **use life insurance to leave a legacy**, designating loved ones or a charity to receive the policy's death benefit.



### "I'm strong and healthy."

You may not think that those with a healthy lifestyle need life insurance, but that is the best time to get coverage. A serious injury or illness could make it more difficult for you to get affordable coverage or any coverage at all. Plus, **life insurance is more than just providing a death benefit** — you can use it to help fund your retirement, help with business planning and much more.



### "I'm just not interested."

I understand you're not ready. At a minimum let's do a simple needs analysis that you can review later to help you decide when you're ready. This is easy to do, doesn't cost you anything, and will arm you with the right information to make a decision when you're ready.







# Conduct a needs analysis

## Different stages of life come with different client needs

Depending on each client's life stage and individual circumstances, their coverage needs and considerations may vary greatly. Evaluate their current stage — and future stages — to discover how their needs may change over time. Make sure your clients consider how they'll provide income replacement to their family, plan for retirement, and cover children's educational expenses, mortgages and other debts if something were to happen to them.

Walk through the following chart to pinpoint current needs and ensure they're equipped with the right life insurance protection throughout their entire lifetime.

 <b>MEDIUM</b> <b>Death benefit need</b>	 <b>HIGH</b> <b>Death benefit need</b>	 <b>MEDIUM</b> <b>Death benefit need</b>	 <b>LOW</b> <b>Death benefit need</b>
20s and 30s	40s and 50s	60s	70s
<p><b>The client might be prioritizing:</b></p> <ul style="list-style-type: none"> <li>• Marriage/family</li> <li>• Education</li> <li>• Career building</li> <li>• Home/mortgage</li> <li>• Starting retirement investing</li> </ul> <p><b>Protection strategies can include:</b></p> <ul style="list-style-type: none"> <li>• Locking in coverage at lower premiums with younger age and likely good health</li> <li>• Protection for final expenses, debts, mortgage, income with cost-effective coverage for a specific duration</li> <li>• Planning for future wealth and protection</li> <li>• Children's future educational expenses</li> </ul>	<p><b>The client might be prioritizing:</b></p> <ul style="list-style-type: none"> <li>• Growing family</li> <li>• College savings</li> <li>• Invest for retirement</li> <li>• Home/mortgage</li> </ul> <p><b>Protection strategies can include:</b></p> <ul style="list-style-type: none"> <li>• Adding permanent insurance and life insurance retirement plans</li> <li>• Increasing coverage for final expenses, debts, mortgage, income protection</li> <li>• Planning for children's educational expenses</li> <li>• Starting to consider wealth transfer concepts and estate planning</li> </ul>	<p><b>The client might be prioritizing:</b></p> <ul style="list-style-type: none"> <li>• Grandchildren</li> <li>• Social Security income</li> <li>• Retirement income planning and budgeting</li> <li>• Chronic illness planning</li> <li>• Home/mortgage</li> </ul> <p><b>Protection strategies can include:</b></p> <ul style="list-style-type: none"> <li>• Life insurance retirement plans and policies with lower death benefit and premiums</li> <li>• Chronic illness riders</li> <li>• IRA maximization strategies</li> <li>• Replacing Social Security income</li> <li>• Legacy planning</li> </ul>	<p><b>The client might be prioritizing:</b></p> <ul style="list-style-type: none"> <li>• Grandchildren</li> <li>• Social Security income</li> <li>• Retirement income planning and budgeting</li> <li>• Chronic illness planning</li> <li>• Legacy planning</li> </ul> <p><b>Protection strategies can include:</b></p> <ul style="list-style-type: none"> <li>• Life insurance retirement plans and policies with lower death benefit and premiums</li> <li>• Chronic illness protection</li> <li>• Replacing Social Security income</li> <li>• Charitable giving strategies</li> <li>• Estate and legacy planning</li> </ul>

# Needs analysis worksheet

A needs analysis can help you show clients the extent of what they could be protecting with life insurance. This worksheet can help you break down the numbers. The results can help you recommend the best term or permanent life insurance solution for their specific needs.

<b>L</b>	+	<b>I</b>	+	<b>F</b>	+	<b>E</b>
<b>Loans/ liabilities</b>		<b>Income replacement</b>		<b>Funeral expenses</b>		<b>Education expenses/ estate planning</b>
\$		\$		\$		\$
Including mortgage and debts		Multiply annual income by how many years you'd like it replaced		Can be upward of \$10,000*		For kids and remaining spouse

**= L.I.F.E total**

\$

**— Assets/savings**

\$

**Budget**

\$

**Total needed**

\$



[Download this worksheet](#)

For a quick and easy overview  
of a clients needs



[Download detailed worksheet](#)

For a deeper dive into a clients  
financial needs

# Understand term versus permanent life insurance

## Different solutions for different clients

Once you have a solid understanding of a client's specific needs, you can then make a life insurance recommendation that fits their unique situation. There are two primary types to consider: **term** and **permanent** products. While both types provide protection, each solution solves for this differently.

**Term insurance** provides temporary protection while a client grows assets elsewhere. Once coverage expires, your clients would have to use other assets to serve as their heirs' "death benefit."

**Permanent coverage** provides lasting protection so beneficiaries never have to tap into other investments to cover the expenses of an unexpected death.

What's best for your clients will depend on several factors.

[Download Term vs Permanent flyer](#)



### Term life insurance

#### An expense

Term life insurance provides pure death benefit coverage for a specific time period and is usually a less expensive option than permanent life insurance. It delivers a death benefit to beneficiaries, but just for the specified term limit.

It's important to explain to clients that these products are designated for temporary needs, and the death benefit will not be able to be used after the policy expires.

#### Consider offering term protection if your clients:

- Are only looking for temporary coverage
- Have a limited budget
- Have a family with young children
- Have outstanding debts, like a mortgage or medical bills
- Need to supplement existing life insurance coverage expires.





## Permanent life insurance

### An asset

Permanent life insurance provides coverage that can last a lifetime and can be tailored to your specific clients' needs and offer advantages outside of death benefit protection — like a guaranteed lifetime death benefit, living benefits like long-term or chronic illness care, and potential for tax-advantaged cash value accumulation and income.

Because these solutions provide lasting benefits, it's important for clients to understand that these products can be considered an asset and become an essential part of their comprehensive financial plan.

This type includes guaranteed universal life, whole life, indexed universal life and variable universal life policies.

### Consider offering permanent protection if your clients:

- Want coverage to last a lifetime
- Desire the ability to customize their policy with flexible features
- Want to add living benefits to their policy (i.e., long-term care coverage, a chronic illness rider, waiver of premium, etc.)
- Need a solution for advanced planning, such as business continuation or key person protection.
- Are looking for ways to manage their assets using an estate planning strategy
- Want both a death benefit and the potential for tax-advantaged cash value growth
- Want to access the policy's cash value for tax-free retirement income
- Have a desire to fund a wealth transfer plan



## We're with you at every step

### Helping you with what matters most to clients

We're here to provide the tools and support you need to serve your clients, build trust and grow your business. You can rely on us for life insurance products that are focused on enhancing value and your success.



**Questions? We're happy to help. Contact your Protective Life representative for more support.**

<sup>1</sup> 2022 Insurance Barometer Study, LIMRA, Life Happens. April 2022. page 7.

<sup>2</sup> LIMRA: Facts of Life and Annuities, 2022

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- Subject to investment risks, including possible loss of the principal amount invested