

The Policy Performance Review

While I have earned a reputation as the “go to guy” for fixing problems, I continue my attempts to convince policy owners and their advisors to understand and properly manage life insurance before problems develop.

Better than 9 out of 10 situations I am called in to are scenarios where substantive problems are already evident and remediation strategies can be expensive. My recommendation to anyone in a position to advise policy owners is that there is meaningful benefit to periodic third party evaluations even when problems aren't evident.

While there are conscientious agents who work hard to keep policy owners in the loop and manage insurance policies they have sold, it is simply too seldom the case and a healthy bit of cynicism isn't all bad.

I work with some advisors who make it a routine part of their practice, an imbedded benefit of working with them, to get signed authorizations and have my team review all of their clients policies. Even in these situations, where the clients never brought it up because there was no reason to be concerned, a majority of the policies are not performing to expectation and many will fall apart leaving the insureds no cash value or death benefit. Unfortunately I am too often in the business of being the purveyor of very bad news.

Given a multi decade continuous decrease in the interest rate markets driving most life insurance products, this can only be expected if it weren't for the unfortunate disconnect between consumer understanding of life insurance and the underlying market realities.

It doesn't have to be this way.