

Why Do a Life Insurance Check-up Now?

10, 15 and 20-Year Term Life Insurance

The good news is that premium rates are remaining largely unchanged for 10, 15 and 20-year term insurance. **Existing level term insurance is a very good value assuming the policy was issued by a high quality insurance company, and the insured's insurability was favorable when the policy was implemented.**

However, many level term policies were purchased with a level premium period that will end before the life insurance need ends. This situation should be identified well in advance so new, longer duration term insurance can be evaluated while the insured's health is favorable. At the end of the level premium period in virtually all term insurance, premiums will increase dramatically and become unaffordable, or the death benefit will decrease dramatically. If the insured's health has declined, an option may be term insurance policy conversion **without medical evidence of insurability.**

To Do

- ▶ Existing term policies should be checked to see when their level premium will end.

Whole Life & Universal Life Insurance

Whole life and universal life insurance policies continue to be impacted by very low interest rates. Whole life policy dividends are likely to decline and more premiums may need to be paid. Interest crediting rates in universal life policies are likely to continue declining, lowering future cash value, and policies may terminate sooner than intended. Underfunded policies can be fixed cost effectively only if the problem is identified well in advance of premature policy termination.

To Do

- ▶ It is more important than ever to obtain in-force illustrations of non-guaranteed, cash value life insurance policies to determine future premium costs and the projected policy duration before the policy lapses.

The Zimdars Company, Inc.

406 Science Drive
Suite 206
Madison, WI 53711-1071

608-231-2700
800-448-2927
Fax: 608-231-6837
info@zimdars.com
zimdars.com



An Actual Case Example

*Our client had a \$4,000,000 whole life policy (not issued through our office) where dividends were being used to make premium payments. With declining interest rates for many years, dividend projections became lower and lower. The most recent in-force illustration showed that premium payments needed to be resumed and were projected to total approximately \$200,000. **Using our Confidential Comprehensive Insurability Program (CCIP), we were able to rewrite the life insurance, at a 12.5% higher death benefit, to a new guaranteed paid-up policy with no more premiums required, saving our client over \$200,000 in future premium costs.***

30-Year Term & Guaranteed Premium Life Insurance

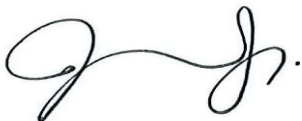
Record low intermediate and long-term interest rates are causing insurance companies to increase premium rates for long duration policies, including 30-year term insurance, long term care policies and riders, as well as permanent lifetime-guaranteed life insurance. **Older, existing policies (priced based upon higher interest rate assumptions) are very valuable if the underlying policy guarantees are functioning properly with financially-strong insurance companies.**

To Do

- ▶ All guaranteed-premium, permanent life insurance policies should be checked with an in-force illustration to make sure the premium and death benefit guarantees are functioning properly, and not shortened or eliminated because premium payments were skipped or paid late (including insurance company premium payment processing time).
- ▶ Any unneeded or unaffordable guaranteed-premium life insurance should be evaluated to see if the policy can be sold as a life settlement for substantially more money than the surrender value. This applies to insureds who are over age 65 and/or have impaired health. In certain situations, both term insurance and permanent life insurance can be saleable.

Now is the time to make sure your life insurance is up to date, cost effective, and functioning as expected. Contact us for assistance in evaluating existing policies. We do not charge a fee for this service. All of our reviews are in writing. Our analyses are objective, without bias toward a particular life insurance product, company or outcome.

We cannot overstress the importance of a life insurance check-up now due to the record low interest rates. Testimonials and other reference information are available at www.zimdars.com.



John C. Zimdars, Jr., CLU, ChFC, President

SECURITIES OFFERED THROUGH VALMARK SECURITIES, INC. MEMBER FINRA/SIPC.
CORPORATE OFFICES: 130 SPRINGSIDE DR, AKRON, OH 44333-2431, (800)765-5201
JOHN C. ZIMDARS, JR. IS A REGISTERED REPRESENTATIVE OF VALMARK SECURITIES, INC.
THE ZIMDARS COMPANY, INC. & VALMARK SECURITIES, INC. ARE INDEPENDENTLY OWNED AND OPERATED.