

# Beneficiary Review Sales Primer

**Beneficiary reviews help clients make sure their assets will pass on to their beneficiaries as they intended. They also give you the opportunity to increase your service level by bringing to the table other topics that are essential to a client's financial well-being, which may lead to increased sales.**

## **Beneficiary reviews may help increase sales**

Mistakes made when designating beneficiaries can be costly for your clients, impairing their ability to protect, preserve and pass on assets to their loved ones.

A beneficiary review is an opportunity to help your client match current beneficiary designations with their desired disposition of assets, answering such questions as:

- Are all assets going to the desired persons in the desired manner?
- Have all contingencies been considered and covered?

Your role is to simply make your clients aware of their current disposition plan and help them determine if their disposition plan meets their goals, and, when appropriate, referring them to other financial professionals.

## **Uncover new sales**

A beneficiary review is a good way to strengthen client relationships. The loyalty that can be built by providing such a valuable service may help you generate more referrals and develop relationships with beneficiaries.

The process of collecting data during a review may also help you identify insurance shortcomings, and, in many cases, point to the need for a more detailed and separate insurance review. A beneficiary review may help identify ways to:

- Maximize estate value
- Uncover potential rollovers
- Retain and consolidate assets

The Client Beneficiary Review Worksheet helps aid in this process.



Asking the questions outlined here may help uncover new insurance sales opportunities and also demonstrate your ability to offer comprehensive life insurance services.

# Beneficiary Organizer

Date: \_\_\_\_\_

Personal information	Date:
Self	Spouse
Full legal name: _____	_____
Primary address: _____	_____
Home phone: _____	_____
Cell phone: _____	_____
Email: _____	_____
Date of birth: _____	_____
Have you ever changed your state of residence? <input type="checkbox"/> yes <input type="checkbox"/> no	
Are you divorced? <input type="checkbox"/> yes <input type="checkbox"/> no	
<b>Children of current marriage</b>	
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
<b>Children of prior marriage</b>	
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
Full legal name: _____	Date of birth: _____
Other relatives, individuals and charities you designate as beneficiaries:	
_____	_____
_____	_____
_____	_____
Do you have a will? <input type="checkbox"/> yes <input type="checkbox"/> no	
Date last updated: _____	
Does your spouse have a will? <input type="checkbox"/> yes <input type="checkbox"/> no	
Date last updated: _____	
Assets passed by your will (indicate estimated value):	
Personal Property: _____	Real Estate: _____
Collections: _____	Investments: _____
Other: _____	Other: _____
Do you have a trust? <input type="checkbox"/> yes <input type="checkbox"/> no	
Date last updated: _____	
What is the purpose of your trust? _____	
_____	
Trust beneficiaries: _____	
_____	

**Does your client's spouse have adequate life insurance coverage?** Stay-at-home parents need to have protection in case of their premature death, to replace the valuable contributions they make to their families.

**Does your client want to leave assets to loved ones?** Some assets pass on less than the value we might expect because they are burdened by extra taxes and costs. Annuities, IRAs and tax-qualified accounts are examples. Other assets can be problematic because their value isn't stable, such as real estate and equity investments, which fluctuate with the performance of their respective markets. Life insurance may be used as an effective tool for passing wealth on more efficiently.

**Does your client wish to provide for children from a previous marriage?** Often, when one spouse dies, all marital property passes to the surviving spouse, disenfranchising children from a prior marriage. Life insurance can ensure the children get an inheritance.

**Does your client have an interest in charitable gifting?** Clients who wish to leverage their cash donations to charity can use life insurance as a means of accomplishing their goal.

**Does your client have intentions of leaving certain assets to certain heirs?** Life insurance can be used to equalize the inheritance left to heirs by enabling your client to balance the value of a significant asset left to one child—say, a family-owned business or vacation home—with cash (from the death benefit proceeds) left to another child.

**Has your client planned for estate taxes?** If total assets exceed the current estate tax exemption amount, estate taxes could be as high as 45%. Life insurance proceeds may be used to pay estate settlement costs.

**When was the last time your client reviewed their insurance coverage?** Make sure the insurance product continues to meet your client's needs, has the appropriate features and provides adequate coverage amounts.

**Does your client have a 401(k) from a previous employer?** If yes, your client may consider rolling it over to an IRA.

**Will your client need the money from their RMD withdrawal?** If not, they can use it to purchase a life insurance policy. Properly designed and funded, the life insurance death benefit generally passes tax-free to beneficiaries.

**Does your client think they'll be in a higher tax bracket when they retire?** If yes, your client might consider converting a traditional IRA to a Roth IRA. Unlike traditional IRAs, there are no mandatory distribution rules, so your client never has to touch the money if they don't need it, allowing the money to grow tax-free for years. Your client's heirs can also take distributions from an inherited Roth IRA tax-free. (Money in an inherited traditional IRA is taxed in the heir's top tax bracket.)

**Is your client planning to spend their qualified accounts in retirement?** If no, they may want to consider gifting it to charity. By giving the IRA away as a charitable gift, they could further reduce the overall value of their estate and consequently reduce any applicable estate taxes. And the charity pays no income tax. If left to loved ones, income taxes on qualified plan accounts may reach 30%, leaving heirs with difficult planning choices. They can then equalize the inheritance left to heirs with life insurance.

Assets payable to or owned by the trust: \_\_\_\_\_

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**Beneficiary designations**

**Life insurance and disability income insurance**

	Issuing Company	Type of Policy	Face/Benefit Amount	Year Issued	Primary Beneficiary	Contingent Beneficiary	Change Needed?
Policy 1:	_____	_____	_____	_____	_____	_____	_____
Policy 2:	_____	_____	_____	_____	_____	_____	_____
Policy 3:	_____	_____	_____	_____	_____	_____	_____
Policy 4:	_____	_____	_____	_____	_____	_____	_____

**Qualified plans and IRAs**

	Type of Plan	Employer or Provider	Plan Balance	Primary Beneficiary	Contingent Beneficiary	Change Needed?
Account 1:	_____	_____	_____	_____	_____	_____
Account 2:	_____	_____	_____	_____	_____	_____
Account 3:	_____	_____	_____	_____	_____	_____
Account 4:	_____	_____	_____	_____	_____	_____

**Deposit accounts (CDs, checking/savings accounts)**


	Name of Bank	Type of Account	Account Balance	Maturity Date (if applicable)	Primary Beneficiary	Contingent Beneficiary	Change Needed?
Account 1:	_____	_____	_____	_____	_____	_____	_____
Account 2:	_____	_____	_____	_____	_____	_____	_____
Account 3:	_____	_____	_____	_____	_____	_____	_____
Account 4:	_____	_____	_____	_____	_____	_____	_____

**Other investments (Stocks, mutual funds, real estate)**

	Type of Investment	Value	Joint Owner (if applicable)	Primary Beneficiary	Contingent Beneficiary	Change Needed?
Investment 1:	_____	_____	_____	_____	_____	_____
Investment 2:	_____	_____	_____	_____	_____	_____
Investment 3:	_____	_____	_____	_____	_____	_____
Investment 4:	_____	_____	_____	_____	_____	_____

**Business interests**

Do you own a business?  yes  no      Estimated Value: \_\_\_\_\_  
 Is there a Buy/Sell Agreement in place?  yes  no      Date last reviewed: \_\_\_\_\_

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**Does your client want assurance that they can cover essential expenses in retirement?** An annuity can turn assets into a steady, guaranteed\* income stream. Positioning some of their assets into an annuity can help provide some assurance that they can cover essential expenses such as housing, healthcare and food for as long as they live.

**How is your client's buy-sell funded?** Funding the buy-sell with life insurance helps ensure there's cash available when the time comes.



\*Guarantees based on the claims paying ability of the issuing company.

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