



Agent Checklist

Longevity Planning

A longevity planning strategy using life insurance can help meet your client's needs for financial protection and additional sources of funds during an extended retirement. Use the checklist below as a guide for your longevity planning cases.

- Identify current death benefit needs (pre-retirement concerns).

Notes:

- Identify the client's retirement concerns (cost of living, insurance or health care costs, other new expenses).

Notes:

- Identify the client's other specific financial goals or concerns.

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- Identify the client's current plans to meet these concerns (insurance, savings, etc.) as well as the amount of disposable income available for planning purposes.

Notes:

- Have your client complete the client worksheet (NAM-2682).

Notes:

- Identify the client's unfunded or unprotected needs from their current plan.

Notes:

- Ask the client about other advisors he or she may be working with, and prepare to work alongside these advisors.

Notes:

- Review life insurance product options.

Notes:

When Illustrating

- Consider the specified death benefit to make sure it meets the client's death benefit needs.
- Consider a death benefit higher than solving for minimal levels, to allow for premium flexibility if the client may choose to increase premium in the future.
- Show the value of life insurance during the working years as well as in retirement.
- Use the Changing Needs piece on the illustration software to demonstrate scenarios for death benefit acceleration amounts.
- Use the Internal rate of Return Report on the illustration software to demonstrate the cost effectiveness of the death benefit protection and cash value accumulation.
- Consider using InsMark to aid in presenting the competitiveness of your presentation.
- Avoid a modified endowment contract (MEC) status.¹
- Aim for a minimum non-MEC death benefit that still meets the coverage needs of the client.
- If consistent with the life insurance needs of the client, an increasing death benefit option (switching to level in the year following last premium payment) may illustrate the best cash value accumulation.
- Consider two methods of identifying illustration numbers:
 - **Defined contribution.** This is essentially when you know what the client can afford and are solving for the best values that you can achieve in later years.
 - **Defined benefit.** This is specifying a target non-guaranteed cash value accumulation or distribution plan and solving for the premium necessary.

For help putting together your longevity planning cases, contact Sales Development at 800-800-3656 ext. 10411 or salesupport@nacolah.com.

¹ For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).