



# The Guardian Policy Review program

## Overview, program benefits, and our “best practices”

### Reasons why a policy review can benefit your clients, your prospects, and you:

- **Assesses current insurance assets**

A policy review helps you and your client establish a current financial profile and assess whether the existing policy covers present and future needs, suits the insured’s lifestyle and/or covers your client’s total Human Life Value.<sup>1</sup>

- **Tests assumptions of the original illustration**

A policy review can help to determine if the product is performing as expected, and can lead to discussions about the need for enhancing or changing the amount and type of coverage.

- **Identifies risk factors**

A policy review helps you and your client consider whether your client’s portfolio needs more stability, or whether they can afford to have a more aggressive portfolio to possibly take advantage of more opportunities.

- **Reviews carriers’ financial integrity<sup>2</sup>**

A policy review can help you identify weaknesses in another a carrier’s policy, and open the door to a conversation that allows you to explain why Guardian may be able to offer a better solution.

- **Expands the conversation and your possibilities**

A policy review may create numerous opportunities for you, including additional sales for personal or business needs, conversions, 1035 exchanges, referrals, and/or business conservation.

### What is the Guardian Policy Review program?

This program is an ongoing process supported by various tools, materials, technology, Guardian professionals, and lastly, your experience. The program is based on a three-step process: **Introduction**, **Data gathering**, and **Delivery**.

**Introduction** — meet with or speak to clients and prospects and begin collecting policy and strategy information.

**Data gathering** — collect and review client data and policies, assessing policy results, and evaluating if they are helping clients meet their overall goals and objectives.

**Delivery** — provide an action plan that you and your client can use to change, augment, or maintain their existing coverage.

The following pages will provide a more detailed explanation for each step of the process.

# The process

## Step 1: Introduction

**A** Review this guide, along with our other Guardian Policy Review marketing materials, to foster greater connections with your clients.

**B** Using your existing book of business, target the appropriate clients for policy review with the following group lists:

- Clients with **term** or **permanent** coverage whom you haven't talked to recently
- Clients or prospects with insurance policies from other carriers or with variable or universal life policies

**C** Prospect to all groups listed above.

- The Guardian Policy Review program offers several tools that will help initiate the conversation:
  - Policy review letters and checklists — to help uncover opportunities for individuals, business owners, and trusts
  - Policy review client brochure — explains the value of the Guardian Policy Review program

**D** Set an appointment.

## Step 2: Data gathering

Gather as much information as possible about your client or prospect so you can accurately assess their situation. Use Guardian's Policy Review Tool within GPS to determine if an existing policy can be modified for better results.

**A** The appointment is your opportunity to gather as much information as possible about the client's existing life insurance portfolio. Begin by using the Policy Review Checklist.

**B** Review the goals and objectives the client identified when the initial policy was purchased. For future reviews, document and file, using Guardian's Policy Assessment Form. Be sure to address events listed on the Policy Review Checklist.

**C** Determine, with your client, the appropriate actions to take, such as getting more (or different) coverage, based on changes in their goals and objectives. Assess the performance of the in-force policy — especially for variable universal life (VUL) and universal life secondary guarantee products, using both GPS and your experience.

A rule of thumb is to conduct policy reviews on an annual basis to help ensure that recent life and/or financial events haven't impacted the original purpose of your client's policy. You should prospect to these groups using Guardian materials and tools specifically developed for policy reviews. Be sure to include trustees and CPAs.

## Use the Guardian Proposal System (GPS)

This system can allow you to present various opportunities that may help meet your client's objectives.

**Note:** Please also refer to the User Guide in the Policy Review module in GPS:

Guardian Online > Sales > Illustrations — GPS Online

In GPS, select "Any" from the Concept Type list box, and then select "Policy Review DB" or "Policy Review CV" from the Concept list box.

## Understanding Policy Review within GPS

Policy Review works by creating two illustrations: one by the user in ledger mode and the other, in the Policy Review module. The first illustration is designed with the same premium as the current in-force policy, with a goal of creating an illustration that offers a policy with a higher death benefit than the current policy. The second illustration created in the Policy Review module uses the existing cash value as 1035 exchange money. It uses the existing death benefit as the face amount of the new policy being illustrated, and solves for the required premium for that face amount.

This process helps you demonstrate the advantages and disadvantages of retaining the existing policy, as well as the potential advantages of purchasing a new policy.

### Key takeaways:

- If the existing policy is performing as expected (or better) and if goals have not changed, no further analysis is required at this time. Continue to review the policy periodically with your client to help ensure the policy continues to meet their needs.
- If the existing policy is not performing as expected or if goals have changed, determine action(s) required to reach goals and work with your client to correct the situation (e.g., increase funding if necessary).
- If appropriate, suggest that your client consider replacing the existing policy with a new one.

### Step 3: Delivery

**A** Include the GPS output in your presentation and recommendation for executing an action plan. Once approved, place the policy that your client has purchased and set up an appointment in one year for the next review.

### When conducting policy reviews, remember...

No single factor will drive what a client may want to do with an existing policy. That's why it's important to understand the various options available — which include retaining, surrendering, replacing, or exchanging the policy.

In addition, the secondary market for life insurance opens up another avenue for clients: selling their policies.

### Guardian Policy Review Program marketing materials:

- Policy Review Client Brochure — [Pub4864](#)
- Policy Review Checklist — [Pub4865](#)
- Policy Review Assessment Form — [Pub4923](#)
- The Guardian Policy Review Program Presentation — [Pub4963](#)
- Policy Review Evaluation Form — [Pub8781](#)
- Policy Review Summary Brochure — [Pub10741](#)

Consider the pros and cons of each of the following points:

- **Internal Revenue Code Section 1035 requirements**
- **Policies with loans**
- **Changes in health**
- **Surrender charges**
- **Enhanced extra benefits**
- **Special underwriting concessions**
- **Maturity dates**
- **Secondary guarantees**
- **Tax Law and legislative changes<sup>3</sup>**
- **New contestable period**
- **Company strength**

### **What's next?**

The program enables you to demonstrate your commitment to client satisfaction, which can help you foster client relationships and serve in the best interests of your policyholders.

Start by reviewing your book of business and prospects today and be sure to make the most of the Guardian Policy Review program materials that are at your fingertips.

### **Why Guardian?**

The Guardian Policy Review program offers distinct advantages that can help you continue to grow your business, including:

- Guardian's 160-year history of helping to protect individuals, families, and businesses with insurance and other financial products.
- Tailored solutions to fulfill clients' long-term goals through a broad-based life insurance portfolio and a wide variety of other products and services
- Extensive underwriting experience for all cases, including those that are hard to place
- Knowledgeable associates that strive to help you grow your business

**If you have questions or need support using the GPS module, please contact the Business Resource Center at [BRCAS@glic.com](mailto:BRCAS@glic.com) or toll-free, at 800-871-7780, Option 3.**

**If you have any product-related questions, please contact Life Product Support & Competition toll-free, at 800-871-7780, Option 2.**

**If you have any Underwriting questions, please contact your local Guardian underwriting department.**

The Guardian Life Insurance  
Company of America

[guardianlife.com](http://guardianlife.com)

New York, NY

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<sup>1</sup> The HLV Theory states that one should maintain life insurance equal to the present value of all of their expected future earnings. Life insurance companies place limits on life insurance available to consumers based upon this formula and have created age-based multiples of current income as a guideline. For example, a person in their 30s may be insured for around 20 times their annual income, 15 times for a person in their 40s, and 10 times for people over 50.

<sup>2</sup> Financial information concerning Guardian as of December 31, 2019, on a statutory basis: Admitted Assets = \$62.2 Billion; Liabilities = \$54.6 Billion (including \$46.5 Billion of Reserves); and Surplus = \$7.6 Billion.

<sup>3</sup> Guardian, its subsidiaries, agents and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation.

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