

POLICY REVIEW REPORT

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Transforming Policy Analysis

The Power of AI at Your Fingertips

Welcome to the future of life insurance policy review. In the time it takes to make a cup of coffee, Insurance Planner AI has dissected your client's policy illustration into actionable insights. What traditionally required hours of manual analysis can now be understood in minutes.

Beyond Traditional Review

This isn't just another policy summary – it's an AI-powered intelligent analysis that thinks like an experienced insurance professional. Insurance Planner AI examines your client's uploaded illustration through multiple lenses, spotting nuances that matter to your client(s).

Inside Your AI Analysis

Each Insurance Planner AI analysis delivers systematic insights across three critical dimensions:



Hidden Gems

Valuable policy features that create opportunities



Blind Spots

Areas where careful attention may protect your client



Red Flags

Critical points requiring proactive planning

Under the Hood

While you're building relationships and planning strategies, Insurance Planner AI is diving deep into the inforce policy mechanics. It's analyzing hundreds of data points, extracting features, and uncovering insights you can actually use. No fluff, no filler – just clear, actionable AI-powered intelligence about your client's coverage.

Bringing Policies to Life

Every inforce policy tells a story. Insurance Planner AI helps you read between the lines, understanding each feature, benefit, and provision. From core benefits to subtle nuances, Insurance Planner AI works hard to ensure nothing is overlooked.

Your AI-Powered Secret Weapon

In today's complex financial planning landscape, inforce policies need more than just occasional check-ups. They need ongoing intelligence and insight. That's where you come in – armed with Insurance Planner's AI analysis, you're equipped to:

- Turn policy complexities into winning conversations
- Spot opportunities months or years in advance
- Show clients the kind of proactive thinking they rarely see
- Stand out as a tech-savvy wealth planning professional
- Deliver reviews that other advisors can't match

The Future is Here

This isn't just technology for technology's sake. It's about giving you superhuman ability to understand, explain, and optimize your client's inforce coverage. While Insurance planner AI summarizes the policy illustration at lightning speed, you're free to do what you do best – be the trusted advisor your clients need.

Behind every insight in this report is the relentless analytical power of Insurance Planner AI, working to make you even better at what you do.

POLICY OVERVIEW

Let's Review the Basics: Here's where we break down what makes up this policy - the core benefits, premium requirements, and additional features that provide the foundation for your client's coverage.

PRODUCT NAME

 **PL Promise Guaranteed
UL (GUL)**

ISSUER

 **Pacific Life Insurance
Company**

DEATH BENEFIT

 **\$1,000,000**

ANNUAL PREMIUM

 **\$23,511.45**

POLICY TYPE

 **Flexible Premium Adjustable Life Insurance**

RIDERS

- **Flexible Duration No-Lapse Guarantee Rider**
- **Accelerated Death Benefit (ADB) Rider for Terminal Illness**
- **Enhanced Surrender Value Rider**
- **Waiver of Monthly Deduction Rider**

POLICY STRUCTURE AND DESIGN

How This Policy Works: Understanding the building blocks of this coverage - from how the death benefit is structured to how premium payments keep it running smoothly.

- PL Promise GUL provides all benefits to meet your needs including a lifetime no-lapse guarantee, guaranteed insurance to age 121 and premium flexibility in how much and when you pay.
- Your policy will lapse only if both the no-lapse guarantee value less any loan balance is zero and if you have not paid sufficient premiums to prevent lapse.
- If policy performance is being maintained solely by the no-lapse guarantee, your policy value will not grow.

Hidden Gem

The lifetime no-lapse guarantee adds substantial security to the policyholder, ensuring coverage longevity.

Blind Spot

Dependence on the no-lapse guarantee for policy performance could impede cash value growth.

Red Flag

The potential for policy lapse despite the guarantee if insufficient premiums are paid may introduce unwelcome financial risk.

What this means for your client(s):

Clients can enjoy peace of mind knowing their life insurance coverage can last a lifetime with the no-lapse guarantee. However, they must remain vigilant about premium payments to avoid policy lapse. Long-term value growth may require proactive strategies rather than relying solely on guarantees.

PREMIUM FUNDING STRATEGY

Making the Numbers Work: A clear look at the premium requirements and payment flexibility that keep this policy performing as intended.

- Universal Life insurance, which allows for flexible premium payments, generally requires additional premium payments after the initial premium.
- If premiums paid are insufficient, it is possible that the coverage will lapse.
- The premium outlay includes planned premium amounts.



Hidden Gem

The flexibility in premium payments allows clients to adjust their financial contributions according to their circumstances.



Blind Spot

A gap in funding could lead to potential lapses in coverage, especially if the policyholder underestimates required premiums.



Red Flag

Insufficient premium payments may trigger policy lapse, creating a risk for policyholders who mismanage their funding strategy.



What this means for your client(s):

Clients have the ability to customize their premium payments, providing financial adaptability. Nevertheless, they need to be aware of the importance of maintaining planned premiums to prevent lapse risks. Without consistent funding, clients may face challenges in preserving their coverage.

POLICY CREDITING AND INTEREST RATES

Growing Your Client's Value: Breaking down how the policy builds value over time through interest crediting and what that means for long-term performance.

- Quoted values are based on the guaranteed maximum monthly charges and the guaranteed minimum annual interest rate of 2%.
- The guaranteed interest rate credited to the portion of policy value securing the policy loan is 3.00% and is credited monthly in this quote.
- Changes to premium, premium frequency, face amount, loans, withdrawals, or late payments will change the values and guarantees under the policy.

Hidden Gem

The guaranteed interest rates on policy values provide a level of predictability for cash value growth.

Blind Spot

Variability in payments can significantly affect credited interest projections, introducing uncertainty for clients.

Red Flag

A minimum interest rate of only 2% may not yield strong growth compared to other investment options.

What this means for your client(s):

Clients can anticipate steady growth in their cash value based on guaranteed interest rates. However, they should understand that fluctuations in policy management can alter expected outcomes. Awareness of the interest rates allows clients to set realistic expectations for their policy performance.

CASH VALUE ACCUMULATION AND GROWTH

Building Worth Over Time: Here's how your client's policy can accumulate value, what affects that growth, and when they can access it.

- The Net Cash Surrender Value is the amount available if you surrender your policy.
- This value reflects the addition of the premiums you pay, less a premium expense charge; deductions due to various monthly policy charges; and credited monthly interest.
- Surrender charges apply during the first 19 policy years; and are zero starting in the 20th policy year.

Hidden Gem

The clarity on cash surrender value offers transparency for clients planning future withdrawals or surrenders.

Blind Spot

The presence of surrender charges during the first 19 years may discourage clients from accessing their cash value early.

Red Flag

High initial policy charges could significantly diminish the immediate cash value available to clients.

What this means for your client(s):

Clients need to weigh the benefits of cash value against potential surrender charges if they consider withdrawing funds early. Understanding cash value growth dynamics is essential for strategic financial planning. Ultimately, clients should plan for long-term policy performance if they wish to utilize cash value optimally.

POLICY LOAN PROVISIONS AND STRATEGIES

Accessing Policy Value: Understanding the flexible loan options available to your clients while keeping their coverage intact and working as designed.

- The policy loan interest charged is borrowed and added to the loan balance/paid in cash.
- Interest is charged on loans at an effective annual rate of 4.50% in all policy years.
- Interest is charged on loans at an effective annual rate of 4.50% in all policy years, due at the end of the policy year.

Hidden Gem

The option to borrow against the policy provides clients with necessary liquidity in times of need.

Blind Spot

Accumulating loan interest can inflate the loan outstanding, potentially eroding death benefits and long-term value.

Red Flag

A 4.50% loan interest rate is relatively high compared to other borrowing options, which could impose a financial burden.

What this means for your client(s):

Clients have the advantage of accessing emergency funds through policy loans when necessary. However, they should approach borrowing cautiously to mitigate the impact of interest on their overall policy performance. Proper management of policy loans is critical to preserve both cash value and death benefit.

DEATH BENEFIT GUARANTEES AND NO-LAPSE PROVISIONS

Keeping Coverage Strong: Let's look at what maintains the guaranteed death benefit and how to ensure it stays in force for the long haul.

- The benefit is provided at no additional cost to you.
- Your no-lapse guarantee value is not adversely impacted compared to your quoted guarantee even if you pay premium up to a month late.
- The No-Lapse Guarantee Rider will be in effect through year 47 provided that premiums are paid on time, as quoted and other assumptions are realized.



Hidden Gem

The provision to sustain guarantees even with late payments adds an extra layer of security for clients.



Blind Spot

Lack of sufficient funding or premium payment delays could diminish the further longevity of the death benefit guarantee.



Red Flag

If the no-lapse guarantee is not proactively monitored, clients may find themselves with lapsing coverage unexpectedly.



What this means for your client(s):

Clients can have confidence that their policy will maintain the death benefit guarantee as long as they follow payment schedules. Nevertheless, it is crucial for clients to stay diligent with their premium payments to uphold coverage guarantees. In the long term, this security can help facilitate peace of mind regarding financial planning.

DIVIDEND AND RIDER/FEATURE ANALYSIS

- This benefit also requires a longer death benefit guarantee.
- If sufficient funding has not been maintained on any policy anniversary to keep this rider in force, you will be notified of the amount needed.
- This benefit guarantees that your policy's death benefit will remain in force for your lifetime even if the policy premiums you have paid are not sufficient to prevent lapse.

Hidden Gem

Optional riders allow for added versatility in tailoring coverage to specific client needs.

Blind Spot

Clients must be vigilant to maintain compliance with funding requirements to avoid losing rider benefits.

Red Flag

Reliance on riders may unintentionally lead to increased policies' complexity, confusing clients.

What this means for your client(s):

By utilizing riders, clients can enhance their policies to meet evolving needs. However, clients must continually evaluate the necessity and financial implications of maintaining additional coverages. They have the opportunity to customize their insurance strategy, but must remain informed about additional complexities involved.

IN-FORCE ILLUSTRATION STRESS TESTING

Testing Performance Scenarios: See how your client's policy might perform under different conditions to help plan for various situations.

- The values quoted include the costs and benefits of any additional riders or benefits and any face amount decreases, withdrawals and policy loans.
- Changes to premium, premium frequency, face amount, loans, withdrawals, or late payments will change the values and guarantees under the policy.
- Insurance coverage will cease in year 48 based on guaranteed assumptions.

Hidden Gem

In-force stress testing can help anticipate potential policy performance scenarios under various conditions.

Blind Spot

Assumptions may not hold in real life, leading to results that significantly differ from projected performance.

Red Flag

The policy's lapse in year 48 raises concerns for clients worried about losing coverage if conditions aren't met.

What this means for your client(s):

Regularly reviewing policy performance under changing conditions can provide valuable insights into sustainability. Awareness of the policy's lapse timeline encourages proactive engagement. By staying informed, clients can better navigate potential challenges and adjust their strategies accordingly.

BEST PRACTICES FOR MANAGING THIS POLICY

Keys to Success: Essential strategies for keeping this policy on track and performing optimally for your client's needs.

- You should request an in-force quote for your policy's performance, including any changes in the tax values that result from your policy's values.
- Tax laws and interpretations of tax laws can change.
- Consult with qualified and independent legal and tax advisors for more information.



Hidden Gem

Regular in-force evaluations empower clients to make informed decisions regarding their policies.



Blind Spot

Clients may overlook the implications of tax changes on policy performance and cash value sustainability.



Red Flag

Inadequate engagement with tax advisors may lead to compliance issues that could negatively impact clients financially.



What this means for your client(s):

Encouraging clients to engage actively with their policies can help safeguard their interests over time. Maintaining an ongoing dialogue with professional advisors ensures optimal management of tax implications. Clients who take these proactive steps are more likely to achieve favorable outcomes while navigating complex financial decisions.

POLICY VALUES OVER TIME

Watching Value Develop: Track how key policy metrics are projected to change, helping you set realistic expectations and plan effectively.

This analysis compares key policy metrics at different points in time to help understand how the policy's value may change over time. Values shown are based on current assumptions and may vary based on actual policy performance.

Current Values

Death \$1,000,000
Benefit:

Cash Value: \$0

Net Surrender \$0
Value:

Year 10

Death \$1,000,000
Benefit:

Cash Value: \$420.78

Net Surrender \$420.78
Value:

Year 20

Death \$1,000,000
Benefit:

Cash Value: \$0

Net Surrender \$0
Value:

FINAL ANALYSIS

Clients who choose the PL Promise Guaranteed UL (GUL) will benefit from its flexibility, lifetime no-lapse guarantee, and customizable options to meet their unique protection needs. However, to ensure the full effectiveness of their policy, regular evaluation of premium funding, cash value growth, and potential transaction impacts are critical. Proactive oversight combined with timely engagement with professional advisors is essential for navigating the financial landscape successfully and securing lasting life insurance coverage.

IMPORTANT DISCLOSURES

Understanding the Fine Print: Essential information about policy assumptions, limitations, and regulatory requirements that affect this analysis.

This analysis is based on the current policy illustration and is subject to change. The values shown are not guaranteed unless explicitly stated. Future performance may vary from illustrated values.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods. Guarantees are backed by the claims-paying ability of the issuing insurance company.

This document is not intended to provide legal or tax advice. Please consult with qualified professionals for specific guidance regarding your individual situation.

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