

# 2024 · WHAT ISSUES SHOULD I CONSIDER WHEN PURCHASING A LIFE INSURANCE POLICY?

PURPOSE OF COVERAGE	YES	NO
In the event of your untimely death, do you want to provide support for your survivors (partner, spouse, children, other dependents)?	<input type="checkbox"/>	<input type="checkbox"/>
In the event of your untimely death, do you need to cover any debt obligations (e.g., home mortgage, car loan, credit card, or other personal debts)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to estimate and plan for the costs of your final expenses (funeral and burial, taxes, estate settlement, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have wealth transfer goals that life insurance could support?	<input type="checkbox"/>	<input type="checkbox"/>
Have you experienced a life event recently (marriage, new child, home purchase, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Is a life insurance policy necessary pursuant to a divorce settlement or under a buy-sell agreement?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to create liquidity at your death (e.g., to pay an estate tax liability)?	<input type="checkbox"/>	<input type="checkbox"/>
Do your current (and projected) assets and income fail to cover the above (or other) needs?	<input type="checkbox"/>	<input type="checkbox"/>
Are you concerned about your future insurability?	<input type="checkbox"/>	<input type="checkbox"/>

COVERAGE AMOUNT	YES	NO
Do you need to consider the financial impact that your death would have on those who depend on you financially?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to compare methods of calculating the right amount of death benefits? If so, consider the following approaches: <ul style="list-style-type: none"> <li>Multiple of Income — Choose a death benefit to replace your current annual income multiplied by a factor (e.g., 10 or 15).</li> <li>Human Life Value — Calculate the present value of your estimated future earnings throughout your life expectancy. (continue on next column)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

COVERAGE AMOUNT (CONTINUED)	YES	NO
<ul style="list-style-type: none"> <li>Financial Needs Analysis — Calculate a principal sum that will meet your survivors' lump-sum and ongoing future income needs (target can allow for liquidation or aim for capital preservation).</li> </ul>		
Are your coverage needs temporary, or will they decrease as time passes?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any coverage currently in place? If so, consider the following: <ul style="list-style-type: none"> <li>Review the terms of the policy (premiums, death benefit, cash value, coverage term, riders, etc.), and assess whether it meets your needs.</li> <li>If you have a term policy, determine whether you can convert to a permanent policy and whether this would be advantageous.</li> <li>Any additional policies should complement or replace your current coverage. A 1035 exchange may be advisable.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

POLICY OPTIONS	YES	NO
Does your employer offer group life insurance as a benefit? If so, consider the following: <ul style="list-style-type: none"> <li>This may be a cost-effective option for many individuals.</li> <li>Review the standard death benefit offered as well as any opportunity to increase with supplemental coverage.</li> <li>If the policy is not portable or convertible, note the risk associated with leaving your employer or a decline in health.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
Will you purchase a policy directly from an insurance company? If so, review the ratings, financial strength, and history of the carriers you are considering. (continue on next page)	<input type="checkbox"/>	<input type="checkbox"/>

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POLICY OPTIONS (CONTINUED)	YES	NO
<p><b>Do you need to review the basic types of life insurance policies?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Compare different types of insurance plans, including term (annually renewable and level premium), whole life, variable, universal, and variable universal.</li> <li>■ Weigh the features (e.g., cash value, premium flexibility, death benefit guarantee, etc.) and the costs of the different policies against your financial goals.</li> <li>■ If you are married, review whether joint policy options (first-to-die or second-to-die) might suit your situation.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to consider any living benefit riders to enhance your basic coverage?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Living benefit riders could provide an advance on death benefits.</li> <li>■ Accelerated death benefit riders would provide funds if you are diagnosed with a life-threatening condition or are terminally ill.</li> <li>■ Disability and waiver of premium riders could protect you in the event you can't work and can't pay premiums.</li> <li>■ Guaranteed insurability could allow you to increase coverage in the future without an additional medical exam.</li> <li>■ Long-term care riders can allow use of your death benefit to cover costs of long-term care.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to consider any death benefit riders to enhance your basic coverage?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Death benefit riders could provide additional support to your beneficiaries.</li> <li>■ An accidental death benefit or accidental death and dismemberment rider could provide additional protection should you suffer a covered accident.</li> <li>■ A family income benefit rider could provide monthly installments, rather than a lump sum payment, if your beneficiaries would be better protected with a recurring income stream.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

MISCELLANEOUS	YES	NO
<p><b>Do you have any health issues that might present barriers or increase the costs of coverage?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need help understanding the material representations, medical exams, and other documentation you must submit during the application process?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to choose proper beneficiaries?</b> If so, be sure to properly complete beneficiary designation forms after purchasing your policy. Life insurance is a nonprobate asset, unless your estate is the beneficiary (by designation or by default).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your beneficiaries need assistance managing the proceeds?</b> If so, consider naming a trust as beneficiary. The trustee will collect the proceeds after your death and administer the trust according to your wishes.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to review the optimal policy ownership?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If properly owned by an irrevocable life insurance trust (ILIT), the death benefits of a life insurance policy will not be included in your taxable estate at your death.</li> <li>■ Review state laws regarding taxation of death benefits. Some states tax proceeds that are paid to an estate.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to create a plan to ensure premium payments are timely made?</b> If so, be sure to set up a reliable reminder of payment deadlines in order to avoid entering a grace period or causing a policy to lapse.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have children who should be insured?</b> If so, consider adding a children's term rider to your coverage as an alternative to a separate policy.</p>	<input type="checkbox"/>	<input type="checkbox"/>

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