



## TERM CONVERSION: CLIENT SUITABILITY ANALYSIS

Determining whether term conversion aligns with a client's needs requires a nuanced understanding of their financial objectives, personal circumstances, and long-term planning goals.



### High-Net-Worth Individuals

Individuals with significant assets often require permanent life insurance to address estate tax liabilities, provide liquidity for asset preservation, or support legacy planning. Trust-owned policies are particularly well suited for these clients.

### Premium Outlay Concerns

Clients who are averse to higher premiums associated with permanent policies may be better served by maintaining term coverage or exploring alternative options.



### Health Concerns

Those whose health has declined since their term policy was issued can preserve their original underwriting classification through conversion, avoiding the need for new medical exams.

### No Long-Term Insurance Needs

If a client's financial situation or estate planning objectives do not require lifelong coverage, conversion might not align with their goals.



### Seeking Flexibility

Clients looking for tax-deferred growth, cash value accumulation, or policies that can provide supplemental retirement income may find permanent policies attractive.