Sound Financial Bites 082 - Basics of Life Insurance Part 2

Episode Transcription

"Universal life, you can think of it simply as overfunded term insurance."

Paul Adams: You, as the insured, get this incredible flexibility. You don't have to pay the same premium every year. You could pay $12,000 for that policy one year, only put in $3,000 the next year, put in $30,000, maybe, the following year. You have all kinds of flexibility, and that's how it's sold. But, necessarily, the more flexibility you have as the insured, the more flexibility the insurance company has.

Welcome to Sound Financial Bites, where we help you with bite-sized pieces of financial and life knowledge to help you design and build a good life. The knowledge that has been shared from stages at conferences, pages of national business magazines, and clients living across America, our host, Paul Adams, now brings directly to you.

Paul: Welcome, welcome to Sound Financial Bites. Our YouTube channel, the podcast. If you guys haven't yet had a chance to meet Cory Shepherd, allow me to reintroduce you to him, author of the wonderful book called Cape Not Required, writer on Discover Your Powers, public speaker, consummate student, Cory Shepherd, glad you could be here.

Cory Shepherd: Big Green Egg aficionado and modernist chef. You should add those in.

Paul: I don't even know what a Reneg aficionado is.

Cory: Big Green Egg, the giant smoker.

Paul: Oh, a Green Egg aficionado.

Cory: My nephew just calls it "hot". He's one years old. "Hot, hot."

Paul: Yeah, that thing, a lot of smoking. The guy is an amazing cook. I'm Paul Adams, and it's so good to have you here. Okay, today, we're talking about universal life insurance. Universal life insurance is not what you would think. It's like a Frankenstein. I don't mean that to sound negative, but boy, that's a hard one to make sound positive.

Cory: It sounds really negative. We don't mean it that way.

Paul: We don't mean it to be negative. The product itself has enough potential problems in the way it's implemented that you don't have to be very mean about the product. Here's how to think about it: term insurance is on one end. At some way, ever-increasing cost of insurance, just very clear, because if it's level for a period time then it goes up, it's very clear that it's gone up. Whole life insurance, on the other end, is a guaranteed level premium forever, and guaranteed paid benefit. Universal life sits in between the two, but lives more on the term insurance chassis.

What happened years ago is people said, "Well, what I'm going to do is buy term insurance and invest what's left over, and not acquire any whole life insurance. So, I'm going to buy term, invest the difference," and the industry said, "Well, how about we give you a product where you can do that right here with us?"

Now, remember in our earlier episode, I shared about how companies were not that good at marketing pre-1970. They got really good after this because they named it "universal life insurance".

Cory: This is like a, for all of our non-car folks listening, chassis, meaning a car company has an existing car, and then they release this brand new car that we find out later is really the old car on its base, but just like a new outside put on top of it, basically. That is term insurance and then universal life, and that was new marketing that was added, right?

Paul: And consider that universal life, you could think of it simply as overfunded term insurance, and the hope is you over-fund it enough that, one day, the money inside of it will pay that ever-increasing cost of mortality, the insurance cost every single year. Now, let me give you a quick drawing of what it might look like.

Cory: Paul is going to write a new program. There we go.

"The more flexibility you have as the insured, the more flexibility the insurance company has."

Paul: Universal life, the way that it works is we put money in and there is a cost inside the universal life, which I'm going to show as red. So, we have a level death benefit, and that's a death benefit that can be set to increase or stay level. For the sake of this conversation, we're going to keep it level, a little easier to understood.

Cory: Easier for us to explain.

Paul: Yes, and it has a really low cost of insurance inside of it, much like term insurance would, especially in the early years. It's an annual, renewable amount that keeps up with your age.

Cory: But, it is higher than term insurance for the equal amount of death benefit.

Paul: Yes, it's higher premium, and let's say, it's just going to be overfunded term. It might be 5x, 10x, 15x. You can choose how much you put in. The hope of the purveyors of this type of contract is that what will happen is we will build up enough cash value so that, in later years, there's very little amount at risk for the insurance company between the death benefit and that cash value, and therefore, it won't be that much of a burden for the cash value to pay that cost of death benefit.

But, the real issue comes out when any time we take money out of a universal life policy, we run the risk of widening that gap again, and as we widen that gap, it gets worse and worse, and eventually, the wider the gap, the more withdrawals, the more likely we're going to crater the cash value, and as soon as the cash value is gone in a regular universal life insurance policy, or what's called a current assumptions universal life policy, it goes away entirely.

Think of it this way. You, as the insured, get this incredible flexibility. You don't have to pay the same premium every year. You could pay $12,000 for that policy one year, only put in $3,000 the next year, put in $30,000, maybe, the following year. You have all kinds of flexibility, and that's how it's sold. But, necessarily, the more flexibility you have as the insured, the more flexibility the insurance company has, and they can change what rate of return.

If it's a current assumptions contract, meaning that the insurance company sets the actual interest rate every year, they can change that interest rate, and if things are going hard for them, they can lower it, and they lower what they pay you in interest rate. If costs get too bad for them, they can raise the mortality costs in those contracts, or if another major insurance company buys somebody with a large book of universal life insurance business, they could intentionally do that as a profit-making strategy as long as they do it to everybody. That's part of the law. They just have to do it to everybody.

Cory: That's not a gross hypothetical. We've seen evidence that that may have happened.

Paul: Yeah, and more common that universal life ends up going to guarantees than we've seen whole life go to guarantees in the past, and it has to do with these underlying mechanics that most universal life insurance sold is sold from stock insurance companies. We're going to talk more in a few minutes about stockholders pitted against, if you will, policyholders and how there's different interests at play on both sides.

But, the big deal is when this happens and that X occurs, and the life insurance is gone, what happens to the insured? They have no more coverage, and if part of that drawdown actually entailed that person taking money out and putting it on their own balance sheet somehow, or spending it, they may actually hit something called the "surrender squeeze" where they're withdrawing money, perhaps, for retirement income, and the policy values are going down, down, down, which means, every single year, the gap is getting wider that the mortality costs have to be paid, and then last but not least, the insured actually ends up with no policy and may have to pay gains, like regular taxable income all in one year for all the past withdrawals.

"The insurance companies do not have an illustration system that will allow you to test real variability of your contract."

Think about this, it's almost like a Sophie's Choice. If you're there, you may be in a position where they say, "Hey, your amount of premiums you've been paying aren't cutting it anymore. You need to pay three times the amount of premium," and if you don't, meaning you don't keep that policy enforced, the IRS may be sending you a huge tax bill.

Cory: For money that you no longer have.

Paul: For money you've already spent, and this may not happen until you're 70s or 80s, okay? We're going to talk about how to know if you have a policy like this and if it does that so we can equip you guys properly. But, that's a big deal.

Cory: But, really big deal that, from this graph, I love that you drew that, Paul, because someone could say, "I'm not going to take money out," but the problem is the insurance company is, whether you do or not, especially at older ages, because your cost of insurance is going up every year as you get older. So, we've seen where that graph can happen. If you put in loads of money, like if term is nothing, very low, whole life is 10x and universal life is anywhere in between, let's be real, people tend to get marketed a universal life policy when they want to put in much less than whole life, which leaves them more open to the withdrawals from age cost causing that graph whether or not they do anything.

Paul: Yeah, the vagaries of the market, if you will, and I've said in both of my books, if you are playing a game with an 800-pound gorilla, what we want to do is make sure the gorilla is tied up as securely as possible. In this case, the insurance company there, it sounds good to us like, "Look at all this flexibility you have." Unfortunately, they have it too, and it's a much bigger consequence to us as an individual if the rules change partway through and say we're not insurable anymore.

We have to be insurable to acquire life insurance. We could have one of these contracts, and one day, it doesn't take care of us anymore, and these can be funded properly, by the way. They can be managed properly, they can be funded properly, and they can work well, but it's not natural for people to do that.

"A great deal of gains in any index or in any market, are actually occurred in our really big years."

Now, what also happens is there's different flavors of it. We're going to touch on the other ones. So, there's current UL, meaning the insurance companies just promises an interest rate every year. There's also variable universal life, which means you can invest in things that look a lot like mutual funds, but they're called separate accounts, and they may even mirror, nearly, an actual retail mutual fund, but it's called a separate account inside the life insurance policies, so you could build the little portfolio of these separate accounts inside the investment and participate in market growth, and we'll talk about that in a few minutes.

Then, the last one is called indexed universal life, and we're going to talk about it specifically and what can go wrong when somebody's using indexed universal life on their own policies for their own sake.

The big problem is that you end up with that surrender squeeze. You have this time in the future where you're going to have these mortality costs, and the mortality costs will go up while you are drawing down your funds, or even if you're not drawing them down. You're just putting in the same premium, but if interest rates and your mortality, and the mortality charges don't cooperate, that policy will fail, and you can see it in the illustrations.

I have yet to have a client requests what's called an inforce illustration. We're going to talk to you about how to request one here in a few minutes. Request an illustration. So, they're already 10 years in the policy. Request one. I've yet to see one that performs out to age 100 with its guarantees intact. Not one current assumptions, not one variable universal life, and not on indexed universal life. Only something called secondary guaranteed universal life, which will be our last in this series of universal life contracts.

Cory: Can we hit quick on some of the ways that the guarantees of the company makes you can be invalidated by the consumer's behavior?

Paul: On the guaranteed UL?

Cory: Yeah.

Paul: We are going to get to that.

Cory: Oh, you're doing that? Alright, great. I'm just overproducing here. Don't worry about it.

Paul: So, the side fund itself, if you go to a variable policies invested in all these mutual funds, the difference is notice how smooth, relatively, the universal life curve is? That changes a lot with variable universal life. We have our funding that we're putting in, which we could put in the same amount every single year and hope the contract pans out, but the actual cash value of the contract is going to perform with volatility because it's in some kind of portfolio.

Now, when the market is going up and before you retire, that could work out really, really well. The problem is, any time, as you age, that the market decreases in value, we are increasing the cost of mortality in those years. Because, now, we're in our 70s, the market pulled back 20%. Oh, my word, what's going to happen to my money? Well, my cost of insurance went up, plus maybe, you're taking withdrawals from that contract as a retirement income because that's how you're initially taught to use it, and no kidding, you can end up accelerating the erosion of your capital between mortality, administrative challenges, and the mere and simple fact that you are taking some money out to spend it, never to go back into the contract, which then, can later on collapse the contract or accelerate its collapse because that all should have been green. Accelerate the crash.

Cory: Well, I don't know. Looks like it's going red.

Paul: And when that death benefit goes away, taxes are due on all of the money that we took out prior in excess of what we originally put in. That can be a big hit, tax-wise, in our later years.

"If you have any type of Universal Life insurance request an in-force illustration."

Cory: So, just like universal life, variable universal life is often turned to in a situation where an advisor is trying to solve for a lower amount of premium to create the same kind of life insurance, which means, in those situation, are more when someone is susceptible to this happening.

Paul: Yes, and if you acquired one of these, say, in the '90s, you may have had that illustrated to you as a 12% annual rate of return. It was just normal. It was normal, and we would say things, like the industry would say things like, "We think it's going to do better than 12, but this is the most that we're going to illustrate." So, we're going to just illustrate 12, but it's unique because it's also subject to something called sequence of return, which we're going to teach about in completely separate videos here just because it affects all areas of your financial life, but simply put, I have seen scenarios where somebody gets over a 12% rate of return for like 40 years.

Cory: On average?

Paul: No, like a linear, linear 12% every year, and then a negative 10% for like 10 years, and it averages to be like 7 1/2, and that performs nothing like the linear 7 1/2% that was illustrated on the illustration itself, and you'll notice that most purveyors, most sellers, and I mean the insurance companies do not have an illustration system that will allow you to test real variability of your contract, and what would have actually happened had you had their actual investments over that horizon of time to test whether or not it would have survived both you funding it then stopping funding at age 65, and then taking some money out.

Like, it is amazing how you cannot find that, and so we're going to tell you about how to, perhaps, request an inforce illustration that's going to help you, what I would call, dusting the edges off the plate in baseball so we can see where the lines are.

Okay, let's get to the last one. Equity indexed universal life, and the equity indexed universal life just means this: they will have a contract with you. I got to tell you, it sounds so good. It is, what I would say, an insurance agent's easiest product for them to sell, but one of the hardest products for the client to own. Easiest to be sold, hardest to be owned.

Cory: If illustrations of life insurance are a beauty contest, this is like the frontrunner. This is the ace in the talent show with the batons on fire.

Paul: Here's what they'll say. In the contract, it will read that what you can do is you can pick an index, and we're going to say this S&P 500, that you can pick the Standard & Poor's 500 Index that is a wide index of U.S. companies, largely large growth companies that you'll see about on the news all the time. So, it sounds familiar, and they say, "We will let you get up to 100% of the upside of the S&P 500, but in down years, we're going to guarantee you never get less than 1%. So, you may not get higher than 10, sometimes the cap is 12, but always nothing less than 1%.

That sounds wonderful. Like, you mean, I get to get stock markets rate of return except I don't have to take the risk of really being in the market and you're going to give me a 1% guarantee? That's exactly right. That can even work well when it's in other types of financial contracts. Here's the drawback when it's in life insurance. If what you did was you got just the 1% a year, that sounds like incredible guarantees.

Cory: Too good to be true, but it sounds like.

Paul: It is true, but it may be incomplete, and the incompleteness is that the mortality charges are still there. So, if all you got was the guarantee every year because the market didn't do well, you would actually lose money over time because the mortality and expense charges of the contract itself would erode your wealth inside even at guarantees. So, your guaranteed 1% increase over a 10 or 15-year period might look more like a 30% guaranteed decrease.

Cory: So, it's not too good to be true. It's too good to be free.

Paul: Yes. Let's chart this one out. So, instead of those huge downsides, what happens is you get the rate of return of the market each year. There's the death benefit, and you get the rate of return of the market each year, but it can only go up and not go down. So, you might have years it's kind of level, years it doesn't go up as much, and it's going to look more like this. It might go down a little bit if there's a few guarantee years with mortality cost withdrawals, and it's supposed to look something like this.

Here is the problem. When you put money into this contract, they have given you some guarantees. One guarantee they've said is, at any given time, you get to participate 100% in your index in its point-to-point movement, which means you do not benefit from any actual dividends paid by those stocks because you don't own them. You literally own the insurance companies buying options, they're doing things to hedge this bet, but you own only the insurance company's promise that they're going to give you this point-to-point movement on that index.

Now, if you only own the point-to-point movement, and you don't own any of the dividends, well in that 70-year history that they quote of the S&P 500 doing like 11%, what they don't talk about is almost 2% of that was dividends that entire time. As a matter of fact, if we end up with favorable tax treatment of dividends, many companies that are in the S&P 500 might actually shift to pay more dividends, and if they do, you won't see that inside your contract because it doesn't affect the point-to-point movement. So, that's problem 1.

Problem 2 is it's 100% movement of the index, but you get no dividends. What's also problematic is you get 100%, but they can - I'm just going to put this in red because it's a big deal - move the cap. That's a great question to ask your agent if somebody's proposing this is to you is, "Why is it that they're currently saying they're going to cap it out at 12%, but in the contract it says they could lower that at their discretion all the way down to 3%? Why is that?" and you can read it right in the contract. It won't be pointed out only because it's not super-flattering that it would be pointed out that they could lower it as low as 3%, and if they lower it down to 3%, you've got a real problem.

Last, but not least, and I don't want to get super-nerdy with you here today, but I'm always happy to in a one-on-one conversation, a great deal of gains in any index or in any market are actually occurred in our really big years, meaning that cutting off the downside seems good to us from a safety perspective, but losing all the bigger upside than the 10% might actually cost us dearly.

When you're looking at these contracts, if they're being illustrated, "Well, it will get 8% because of that rate of return," you're going to watch in one of our future videos, we're going to show you that adding money every year to the S&P 500 in the period of time when the S&P 500 returned 8.6%, if all your money was there in the beginning, your return would not have been higher than 6 because you added money over time.

It has to do with the timing of you adding money, not to do with the actual movement of the index. All those things are counting against us in this contract because, now, we have the ability for them to drop the ceiling. We do get this guarantee. They're giving us participation. But, the entire time, the mortality expense charges are coming out and probably the most damaging potential part is that you do not have to pay as much premiums as it would take to make the policy work.

We've watched modeling of these contracts work out really, really well, like all the way for 30 years, and then a string of five bad years in that time when the higher mortality expense charges are there suddenly start to drag that contract down significantly and changes trajectory forever, requiring more premium payment from the insured or the risk of lapsing the contract. That's all the equity index to universal life.

Now, we're going to hit guaranteed universal life, then I'm going to give you guys some homework you could do if you own one of these contracts. Here's guaranteed universal life, very simple. They make a promise with you. You pay your premiums and don't make any changes.

We're going to talk about what those changes are, Cory's going to jump in there. And your cash value, you're going to have a consistent premium that has to be paid every year, you don't have flexibility anymore. Flexibility's gone. Which is kind of funny that they still call it universal life, which they originally marketed as the fact that what you could do is have all kinds of flexibility, and you no longer have flexibility because it used to be called secondary guaranteed universal life. You're going to see why secondary, and then they got better at marketing and just started calling it guaranteed universal life.

Here's why. You put in the premium every single year, and the cash value begins to grow much like you might see it in a regular contract, but they actually plan on that cash value plateauing and running out. But, what they say is as long as that premium is paid every single year for the life of the contract, until the insured dies, then you will always, always, always get that death benefit.

Cory: It's term insurance for the term of the rest of your life, whatever that term might be.

Paul: More specifically, they usually only go to 121's. So, they don't give us the opportunity to actually endow. They just say -- think of it like term insurance to age 121. So, what can go wrong, Cory? They're giving us these guarantees; that's great. What does that mean in terms of our behavior?

Cory: It's why it's called a secondary guarantee because it's not primary iron-clad built into the policy. There's some options for moving that. So, unlike all the other policies, there is a real downside to taking money out from the moment that you start taking it out because that erases the guarantee. They say it changes the equation, they have to think about more things, and they say, "No, we can't guarantee that anymore," so take a dollar out.

Paul: Guaranteed gone?

Cory: Guaranteed gone. Skip a premium, try to take that flexibility, guaranteed gone. Pay too much or too early, guaranteed gone.

Paul: We actually had a colleague of ours that had a client on a worldwide cruise, and they were leaving early before their premium would be due, so they wrote a very hefty check to pay their annual premium three months early. The insurance company credited that to the prior year, they have the full right to do so, and then counted the next year as not having been paid guaranteed blown.

Cory: If you change your premium mode, I think. Yeah, that's a crazy one.

Paul: If you change it from annual, and then because of cash flow reasons, you need it to go monthly, well then your guaranteed could be blown. Here's the real issue. If you have one of these contracts, it's super-important, we're going to talk about how to double check all this for yourself. Here's the big problem. You need to make sure, make sure that you request an inforce illustration. If you have any type of universal life insurance, request an inforce illustration.

Here's what an inforce illustration is going to do. It is going to give you a projection, from this point, moving forward. It's a homework that all of our clients get on their existing life insurance policies if they're whole life or universal life, anything with a cash component, we get an inforce illustration, because it's what's required to make good assessments.

Let's start with if it's a guaranteed universal life. Now, we're going to start at the end and go backward here. If it's guaranteed universal life, you're looking for are our guarantees still there or is there a point at which the cash is gone and so is the death benefit? If that happens, you could have done something in the past that blew your guarantee.

Most of the times, these are life payment contracts. There are some that are around still that were one-time premium payments. Somebody wrote a very, very large check, one-time premium payment, maybe they paid $300,000, and they have guaranteed forever on their life $1.5 million of coverage, or on a couple, that's also referred to as second-to-die life insurance. Not the conversation for today, but because second-to-die life insurance can exist in any of these other modes that we just talked about.

That guaranteed universal life contract, you need to stay on top of to make sure that you know what could happen with bad behavior, which is just normal behavior. Everybody's changed bank accounts, or moved and not gotten a notice for some bill, and paid it a little bit behind. The problem is there may be a grace period on the policy that's different than the grace period on the writer, that secondary guarantee writer. So, that might have a 30-day grace period where the entire contract has a 60-day grace period, and all you're going to get is a very quiet notice in the mail that you blew the guarantee

Many people watching this may have already blown their guarantees, gotten that notice, but like we do with many insurance company notices, it just went in the garbage. So, that's why you've got to check it inforce illustration. When you're requesting an inforce illustration on a GUL, UL, whole life, highly recommend you call the home offices for these companies. If you request it from the home office, it tends to go faster, it's usually the person that's actually running the illustration, and sometimes, it'll want to push you back to the advisor.

We're not trying to have you feel like your advisor is threatened at all, or whoever sold you the policy. Rather, you're just trying to learn about it yourself. If you're not worried about triggering your advisor, because any time somebody asks for one of those, every advisor is lit up to think, "They're getting rid of the policy." So, they could be agitated. Just relax them, let them know you're just doing some homework, you watched this video, you could send them this video, and they could watch it too. So, that inforce illustration.

Next is inforce illustration on the equity indexed policies. Very simple. You could request an equity indexed one at 4% and 6% average rate of return because they're going to show it linear. They don't have a really good way to do what's called Monte Carlo or stochastic modeling on those contracts that would show the ups and downs, but if you do a really conservative estimate and then a little bit higher estimate, you're probably going to be okay, and given this was recorded in 2017, I'm going to skip back to our current assumptions UL, meaning you do not have an underlying investment account. It's just the company promising you something as a rate of return each year, and it changes a little bit every year, because they declare it. Just let them, in this low interest rate environment continue to project it at current interest rates.

Cory: That's the important piece is you can't just ask for an illustration. You have to specify their assumptions, because the assumptions they put in may not be what you're actually looking for to test the policy.

Paul: That's right, yeah. What we're doing is tolerance testing. We want to find where the edges are. Last, but not least, variable universal life. I would have you request one at 5% overall rate of return, and 8% gross before fees on the contract: the fees of the underlying funds, because you can specify gross or net on those.

What it's going to do, once again, is just give you the ability to make an assessment, and then you can call back. If it looks like the policy dies in 10 years, you can call back and say, "Hey, if this is going to last my lifetime, how much money do I need to put in every year to fund it well enough that it actually sticks around my entire life?" because that's what we're looking to do.

We're not looking to have you get rid of any policies, rather just make sure every single one's working for you, because here's the real problem. If we get to that end state, like we looked at on these other contracts, where the policy goes down in value, and then craters out, when you get that notice, it is usually a high enough premium that everybody just wholesale cancels it, which works really well for the insurance company that has all those term costs from the contract this entire time, and that was off the hook in terms of death benefit. It releases reserves for them, gives them all kinds of flexibility.

The problem is that may not have worked well for you, and had you taken action years before, you might have only had to change your premium a little bit to have it work out. Or, maybe you did need to get a different kind of policy, and if you did get a different policy, you were going to be much better off at a younger age, better health getting that policy, because you know what? As much as I would like to think so, none of us get healthier with age.

Cory: We tend not to. Can I get a philosophical sum-up of these? Because, I don't want people to think that we're calling universal life poison.

Paul: No, in fact, we've used guaranteed universal life for some of our clients in their particular situation because it's what really worked for them in their financial affairs. It worked for them because they needed to secure a large death benefit for, say, an estate planning need or business need that was permanent, that did not require any other type of insurance than guaranteed universal life. We have used it. We've used universal life, properly funded, on clients that didn't qualify for other types of insurance. So, thank you for bringing that out. It's not bashing. It's just like we need to know where all the moving parts are.

Cory: When I started my career at a large financial institution, I got to do customer service calls for policies that have been sold in the '80s, and these people were now in their 70s having to put more and more money in each year with no guarantee that the policy actually stays in place beyond that. So, they're throwing money. It's kind of like getting behind with the table in Vegas and just throwing more and more to try to get back up.

It's not that they're bad. They can be useful if funded appropriately. The only problem is, a lot of times, they're marketed in a way as underfunded, and there's all kinds of possible possibilities that look amazing, and when it comes down to it, there's so many things that can change, the mechanics of it, in reality, are they probably could have behaved pretty okay. Not amazing or bad.

Paul: If it's properly funded, and keep in mind, when we've talked before about this current, the way everything is moving around us in the financial marketplace or in our personal lives, the river we're all floating in, the current, the conversation everybody's in, they love being able to market things to us that have this very positive possible outcome.

Cory: They highlight the heck out of it.

Paul: And they highlight the heck out of it, and it's not that they're bad people, but it is that we needed to pause long enough to make an assessment of what is the likely outcome of this. What is the likely outcome of this policy, what's the likely outcome of any investment strategy, any place we allocate dollars? We need to make sure that we understand the likely outcomes and be able to test against them, and we hope this video will give you a chance to look through some of those numbers.

If any of you get one of those, and you want us to go through it live on a YouTube video, we will bring you in either in-studio, or we'll bring you in remotely, and we'll review it with you, with everybody, of course, with names redacted. We can put you like the old 60 Minutes with backlit and a modulated voice. I think that'd be good. Know that if you want that reviewed, we wouldn't charge you anything for it, it would be great for our audience to be able to see that.

Then, if you're looking at, "Well, I've kind of made a bunch of these decisions on my own, I really need some bigger help," then reach out to us about getting together. You can email us at info@sfgwa.com.

Here's what we can commit to you. We're only going to educate you in our philosophy conversation. That's all our advisors or myself are allowed to do, and the only thing you're allowed to do in that meeting is ask to go through our assessment where we look at what you're currently doing with a relatively short kind of assessment questionnaire about four pages long, you fill out what you fill out on there, and we have a conversation about whether or not we'd be a fit, and then we charge a fee for that entire design process so that you have the choices to whether or not you want to build it and have any incentives for us or our team to do the asset management, insurances, etcetera.

That's in your court. You can have us build it after we design it like an architect. It also has a general contractor. Or, you can go build it somewhere else or build it yourself. We're so glad you could be with us. Here's what we're going to go to next, we are digging into how to even go about buying or deciding how much to own of life insurance and entering into that initial conversation.

I want to acknowledge you for taking the time to tune in to Sound Financial Bites. You stopped long enough in your busy day to reflect on your finances and your future to help you design and build a good life. Please take a moment to subscribe to this podcast and follow us on social media. You can find us on Facebook and LinkedIn. If you have a topic you would like to hear us discuss, please send us a note on Facebook, LinkedIn, SoundFinancialBites.com, or email us at info@sfgwa.com. Be sure to check out the show notes for links to any resources that were covered in each episode. For our full disclosure, please check the description of this episode, the description of this podcast series, or you can visit our website. Make it a great day.

Sound Financial Bites 082 - Basics of Life Insurance Part 2
Episode Transcription

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