

## THE IMPORTANCE OF AN ADVISOR

### THE DIGITAL WORLD IS UPON US

After seeing many commercials during the hockey playoffs and ads pop up on social media platforms, I decided to do some research on the company PolicyMe, I wanted to compare the product and what more we can offer.

The product sounds great; sign up easily online without having to deal with a salesperson, no medical, "lowest" prices and an insurance product that covers you in the event of premature death. This sounds like a consumers dream and the direction we see many markets starting to go.

However, I was surprised once I went through the process, and it wasn't all that it was made out to be. Now, more than ever, an advisor's job is more crucial! People can find information any where on things like Google, but is it always correct? Is it the best solution for you or is it a "cookie cutter" solution? Advisors must start producing more transparent information to help educate the public and create value in our profession.

### THE CASE STUDY

The following is an introductory example on the value that advisors add:

#### Case Study

Male, 35, Non-smoker, \$100,000 annual income, spouse and 2 children (under the age of 7), \$400,000 mortgage, \$25,000 of savings, \$0 of consumer debt.

### THE PROCESS

The process takes you through a series of questions asking financial information, personal information and takes into consideration things such as child dependents and partners/spouses all with step by step clicks of a button.

**Your PolicyMe Recommendation**  
Tailored just for you!

<p>Coverage amount</p> <p><b>\$650,000</b></p> <p>Your family needs the financial support of a \$650,000 life insurance payout to let them maintain their current lifestyle if you pass away tomorrow.</p>	<p>Policy Length</p> <p><b>20 years</b></p> <p>Your family will only need the financial support of a life insurance payout to let them maintain their current lifestyle if you pass away in the next 20 years.</p>
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[See Prices](#)

- Why \$650,000 of coverage?
- Why a 20-year policy?
- What's included in my policy?

However, the number they gave for recommended coverage in this scenario was well below what would be needed. PolicyMe, recommended that this individual would need \$650,000 of coverage. In most needs analysis programs (that also must be used for liability purposes), the suggested amount of coverage ranges from \$1.5 million to \$2 million. The suggested amount by PolicyMe is 50-67% less, leaving the individual under insured.

PolicyMe only has 2 term lengths that can be purchased with a third coming. There is no option to convert a policy, have permanent insurance for capital gains, taxes, estate planning etc. and there was no option to purchase any living benefit insurance such as critical illness and disability insurance.

Let's personalize your life insurance policy:

Your estimated rate: **\$39.32** / month  
For \$650,000 in coverage over 20 years

Coverage amount: **\$650,000**  
\$100K - \$500K

Policy Length: **20 years**  
10 years | 20 years | Coming soon to age 55

[Start My Application](#)

Add coverage for your partner:

**What we cover**

- ✓ All causes of death except suicide in the first two years (this is industry standard)
- ✓ Any costs associated with the underwriting process to get you approved

Then I thought, maybe PolicyMe was able to beat all current products in price, once again this wasn't true. Although, they're priced very competitively, there were other companies such as RBC Life that was less premium at \$37.56/month and all companies were within a ~\$5/month spread.

Finally, they suggest that there's no medical required, being an advisor in the industry for over a decade, I understand this can be a set back and make some people reluctant to purchase insurance. Once again, traditional insurance does not always require a medical and in some cases if medicals are required, it can lower the premium. Since the start of covid, insurance companies have increased the coverage limits for when a medical is required. Traditionally \$500,000 and above for anyone aged 18-50, would be required to have a medical, now many of those companies only require a medical at over \$2,000,000 of coverage.

This was an introductory case study, and we can see the advantages an advisor can provide, now think if there's a corporation involved or multiple corporations with operating and holding companies. We're happy to help with any questions and always looking to do what's in the client's best interest.