

# Life Insurance Selector<sup>SM</sup>

Questionnaire



# MetLife

clarifying life's choices

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_



# I. How Much is Enough?


HUMAN LIFE VALUE					
Age	Annual Income				
	\$25,000	\$50,000	\$100,000	\$250,000*	\$500,000**
20	\$761,029	\$1,417,098	\$2,729,177	\$5,440,885	\$10,426,864
21	\$747,433	\$1,391,781	\$2,680,419	\$5,343,683	\$10,240,586
22	\$733,706	\$1,366,220	\$2,631,192	\$5,245,546	\$10,052,517
23	\$719,847	\$1,340,413	\$2,581,492	\$5,146,466	\$9,862,640
24	\$705,855	\$1,314,358	\$2,531,314	\$5,046,433	\$9,670,937
25	\$691,728	\$1,288,053	\$2,480,654	\$4,945,438	\$9,477,391
26	\$677,465	\$1,261,495	\$2,429,506	\$4,843,472	\$9,281,984
27	\$663,065	\$1,234,681	\$2,377,867	\$4,740,526	\$9,084,698
28	\$648,527	\$1,207,610	\$2,325,731	\$4,636,590	\$8,885,515
29	\$633,849	\$1,180,278	\$2,273,094	\$4,531,654	\$8,684,417
30	\$619,030	\$1,152,684	\$2,219,951	\$4,425,709	\$8,481,385
31	\$604,068	\$1,124,824	\$2,166,297	\$4,318,746	\$8,276,401
32	\$588,962	\$1,096,696	\$2,112,127	\$4,210,754	\$8,069,446
33	\$573,711	\$1,068,298	\$2,057,436	\$4,101,724	\$7,860,501
34	\$558,314	\$1,039,627	\$2,002,219	\$3,991,645	\$7,649,547
35	\$542,769	\$1,010,680	\$1,946,472	\$3,880,508	\$7,436,564
36	\$527,074	\$981,455	\$1,890,189	\$3,768,302	\$7,221,534
37	\$511,228	\$951,949	\$1,833,365	\$3,655,017	\$7,004,436
38	\$495,230	\$922,160	\$1,775,994	\$3,540,643	\$6,785,251
39	\$479,078	\$892,084	\$1,718,072	\$3,425,169	\$6,563,958
40	\$462,771	\$861,719	\$1,659,593	\$3,308,585	\$6,340,537
41	\$446,307	\$831,062	\$1,600,551	\$3,190,880	\$6,114,968
42	\$429,685	\$800,111	\$1,540,942	\$3,072,043	\$5,887,230
43	\$412,903	\$768,862	\$1,480,760	\$2,952,063	\$5,657,302
44	\$395,960	\$737,313	\$1,419,999	\$2,830,930	\$5,425,164
45	\$378,854	\$705,460	\$1,358,654	\$2,708,632	\$5,190,793
46	\$361,583	\$673,301	\$1,296,719	\$2,585,158	\$4,954,169
47	\$344,147	\$640,833	\$1,234,188	\$2,460,496	\$4,715,269
48	\$326,543	\$608,053	\$1,171,056	\$2,334,636	\$4,474,072
49	\$308,770	\$574,958	\$1,107,317	\$2,207,566	\$4,230,556
50	\$290,826	\$541,544	\$1,042,965	\$2,079,274	\$3,984,699
51	\$272,709	\$507,808	\$977,995	\$1,949,748	\$3,736,477
52	\$254,418	\$473,748	\$912,400	\$1,818,977	\$3,485,868
53	\$235,951	\$439,360	\$846,174	\$1,686,948	\$3,232,849
54	\$217,306	\$404,642	\$779,311	\$1,553,649	\$2,977,398
55	\$198,482	\$369,590	\$711,806	\$1,419,069	\$2,719,491

## BEGIN THE LIFE INSURANCE SELECTOR INTERVIEW:

"This chart represents the amount of money you would need to receive today in order to replace a lifetime of earned income. While the chart makes several assumptions, I can also create a customized report for your specific situation."

### INSTRUCTIONS:

Estimate your client's Human Life Value by determining their age and income. For income levels other than what's shown, estimate based on your client's actual income or use MetWINS for a customized report.

	<b>HUMAN LIFE VALUE</b>		
	minus		
	<b>CURRENT LIFE INSURANCE COVERAGE</b>	-	
	equals		
	<b>ADDITIONAL LIFE INSURANCE NEEDED TODAY</b>	=	

### HUMAN LIFE VALUE ASSUMPTIONS:

- Human Life Value amounts are adjusted for present value, assuming a 5% annual investment rate of return
- Annual salary increase of 4%
- Tax rate of 25%
- Annual personal consumption valued at \$10,000
- Annual services at home valued at \$5,000
- Annual fringe benefits valued at \$8,000
- Earned income stops at age 65

\*35% tax rate, \$40K personal consumption

\*\*35% tax rate, \$20K personal consumption

## II. Insurance Portfolio Allocation

### BEGIN THE INSURANCE PORTFOLIO ALLOCATION INTERVIEW:

“Some people feel they need life insurance for a certain period of time—just long enough to meet their responsibilities for those who depend on them. This is typically done with *term insurance*.”

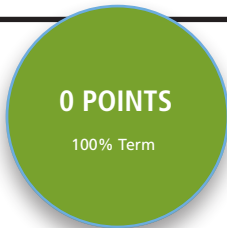
“Others, however, recognize that owning some form of life insurance for their entire lives can provide them with added security and flexibility as they prepare for life’s possibilities. This is typically done with *permanent insurance*.”

“Many people find their objectives are best met with a combination of term and permanent insurance.”

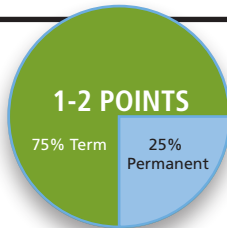
### CIRCLE YOUR CLIENT’S PREFERENCE

1. The idea of leaving an inheritance is important to me—either for my family or a charitable organization. I would want to do this in the most efficient manner available.	Agree	Disagree
2. In the future my adult children and/or parents may rely on me for financial support. I want to make sure my life insurance policy is there if they need it.	Agree	Disagree
3. I would prefer the least expensive type of life insurance, even though my benefits will expire at some point in the future.	Agree	Disagree
4. I only want life insurance for a limited period of time (i.e., until my mortgage is paid, children finish college, or other financial obligations are met).	Agree	Disagree
5. If I die prior to my spouse during retirement, I want to ensure he or she receives a life insurance or income benefit.	Agree	Disagree
6. If I were to die during my working years, I would want my family to receive a life insurance benefit that would replace the full value of my income.	Agree	Disagree
7. Regardless of how long I may live, it’s important for me to have my life insurance in place when I die.	Agree	Disagree
8. I don’t want to commit to permanent insurance today, however I’d like to guarantee the right to buy it in the future should my situation change.	Agree	Disagree

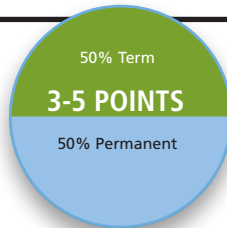
	Question	Agree	Disagree	Score
<b>INSTRUCTIONS:</b> Circle your client's answers from Section II in the table to the right. Add the scores to determine the most appropriate type of policy—or policies—for your client's situation.	1.	1	0	
	2.	1	0	
	3.	0	1	
	4.	0	1	
	5.	1	0	
	6.	0	1	
	7.	1	0	
	8.	0	1	
<b>INSURANCE PORTFOLIO ALLOCATION SCORE</b>				



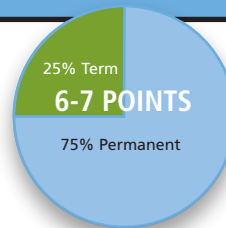
**100% Term**



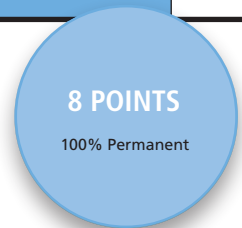
**75% Term  
25% Permanent**



**50% Term  
50% Permanent**



**25% Term  
75% Permanent**



**100% Permanent**

<p>"Clearly you're concerned about protecting those who depend on you; however, today you feel you only want coverage for a limited period of time. Based on your answers, a 100% term portfolio with the option of future conversion may be most appropriate for you. The next section will help you understand which permanent policy you may want to consider converting to in the future."</p>	<p>"You recognize the importance of owning life insurance throughout your entire life; however, you also acknowledge that your biggest concern is protecting those who depend on you during your working years. An insurance portfolio with mostly term insurance and a small amount of permanent insurance may be most appropriate for you."</p>	<p>"Your answers show that you appreciate both the benefits of permanent insurance and term insurance. An insurance portfolio consisting of equal amounts of term and permanent protection may be most appropriate for you."</p>	<p>"Protecting those who depend on you for your entire lifetime—regardless of how long you may live—is most important to you. Your preferences indicate that an insurance portfolio consisting mostly of permanent insurance may be most appropriate for you."</p>	<p>"You want lifetime protection, to leave a legacy and to protect your spouse's retirement income. An insurance portfolio of 100% permanent life insurance may be most appropriate for you."</p>
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**AVAILABLE TERM PRODUCTS:** MetLife and its affiliates offer term policies with guaranteed level premiums for a specific period of time. After the level premium period, the premiums increase significantly each year. During the level period you can convert your term policy to a permanent policy with no medical questions.

Term Policy Type	Description
<b>10 and 15 Year Term</b>	The least expensive choices, generally most appropriate only for short-term needs or when you expect to convert to a permanent policy in the near future.
<b>20 Year Term</b>	The most popular choice. Provides coverage for longer term needs and the flexibility to convert over a longer period of time.
<b>30 Year Term</b>	The most expensive choice; however, the coverage amount and premium are guaranteed not to change for 30 years.

### III. Permanent Insurance Allocation

**BEGIN THE PERMANENT INSURANCE ALLOCATION INTERVIEW:**

“Many people find that owning some term insurance is an effective way to protect their families and others who depend on them, particularly for the short-term.”

“Many of these same people, however, also want the added security and flexibility of permanent insurance but are unsure as to which type is most suitable for their situation.”

“The most appropriate type of permanent insurance for you is based on your preferences and attitudes toward a range of factors such as risk preference, flexibility, guarantees and your retirement and legacy objectives.”

CIRCLE YOUR CLIENT'S PREFERENCE					
1. I prefer the guarantee of knowing exactly what my insurance policy premium and death benefit will be, even though I may not be able to change it in the future.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
2. I would like to have the flexibility to increase or decrease my premium payment, even though doing so may have an impact on my policy's performance and guarantees.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
3. I would like my life insurance policy cash value to grow and eventually be worth more than what I've paid, even though it may require a higher initial premium outlay.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
4. It's important for me to find additional ways to set money aside on a tax-free or tax-deferred basis to meet my long term retirement goals.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
5. I prefer the type of policy that has cash value. I would like to know that my policy cash value is guaranteed regardless of future performance of interest rates and stock markets.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
6. I prefer the type of policy that has cash value. I am willing to accept some risk for more potential policy cash value growth; I understand, however, that a declining market may require additional premium in the future to keep my policy in place.	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree

	Question	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Score
<b>INSTRUCTIONS:</b> Circle your client's answers from Section III in the table to the right. Add the scores to determine the most appropriate type of permanent policy for the permanent portion of your client's insurance portfolio.	1.	12	11	10	13	14	
	2.	15	14	10	12	12	
	3.	12	11	7	5	0	
	4.	12	11	9	7	0	
	5.	12	11	10	9	8	
	6.	20	13	11	10	9	
	<b>PERMANENT INSURANCE ALLOCATION SCORE</b>						

<b>BELOW 59 POINTS:</b>	"Your answers show that you favor guaranteed protection over the potential for cash value growth. A universal life policy with secondary guarantees may best fit your situation."
<b>59 – 62 POINTS:</b>	"Your answers show that you generally prefer guaranteed protection, yet you may want to consider a policy that has some element of cash value growth. As your representative, I will help you decide between a universal life or whole life policy to best fit your situation."
<b>63 – 67 POINTS:</b>	"Your answers show that you prefer a policy that has both guaranteed protection as well as a guaranteed form of cash value growth. Whole life may be the most appropriate policy for you."
<b>68 – 72 POINTS:</b>	"You said you would prefer a policy with the potential for cash value growth, yet you also may be unsure about taking risk with your policy values. As your representative, I will be able to offer you a custom selected whole life policy, or a variable universal life policy, using a conservative asset allocation strategy which may best fit your situation."
<b>OVER 72 POINTS:</b>	"You clearly prefer a policy that has cash value with the potential for growth associated with the stock market. A variable universal life policy may be best for you."

## AVAILABLE METLIFE LIFE POLICIES BASED ON YOUR ANSWERS ABOVE

Permanent Policy Type	Description
<b>Universal Life</b>	Universal life generally provides a guaranteed premium and guaranteed death benefit and typically does not focus on cash value accumulation.
<b>Whole Life</b>	Whole life insurance has guaranteed level premiums, guaranteed cash value and guaranteed death benefits. Whole life is also eligible to receive annual dividends. Dividends are not guaranteed; however, if paid they may increase the cash value and death benefits over time.
<b>Variable Universal Life</b>	Variable universal life features an equity component which permits the allocation of premiums among professionally managed funding options. The performance of these funding options may affect the cash value and death benefit amounts.

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