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Management, Review and Advisement is the Key to Any Financial Investment, Including Life Insurance

By Jeffrey Wasserman



low interest rates (and people living longer) carriers have begun to invoke a contractual right that has until now been rarely exercised. Contractually, the insurance carrier has the right to increase the cost of insurance up to the guaranteed maximum stated in the contract. We've seen some carriers start to do this and will likely see more.

While it is true that interest rates and some market related aspects of Universal Life policies have changed since the 1980s, it is important to acknowledge that any financial instrument, including Universal Life policies, need to be managed and reviewed on a regular basis. Management, review and advisement is the key to any financial investment.

The most concerning point made in the WSJ article is not that policies have underperformed or that costs are increasing. It is that people did not fully understand their policies and the impact of neglecting them. In many cases, the original insurance agent was not available or capable of proper policy management.

Over the course of the last 30 years, the Oswald Companies Life Insurance Department has audited thousands of policies ensuring that client's maintain coverage that continues to meet their ever changing needs. We take a consultative approach making time to understand the needs of the client and educating them on how these complex financial instruments work.

Last month the Wall Street Journal published an article entitled "Universal Life Insurance, a 1980s Sensation, Has Backfired" (<https://www.wsj.com/articles/universal-life-insurance-a-1980s-sensation-has-backfired-1537368656>) (subscription/

login required) . This article brought to light two major challenges that have confronted owners of Universal Life Insurance. First, a decade of historically low interest rates have significantly impacted the financial viability of these policies. Second, as a response to

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