



## Inforce Life – Reason Why Letter Fillable Template

*Note: Examples of Reason Why Letters are provided below the template.*

### Reason Why Letter

- As discussed during our meeting, you would like to meet the following goals and objectives:
- To meet your goals and objectives, I am recommending that you purchase a \_\_\_\_\_.
- The policy is called \_\_\_\_\_ and it is offered by \_\_\_\_\_.
- Coverage Amount/ Face Value: \_\_\_\_\_.
- When we met, you indicated that \_\_\_\_\_.
- This policy meets your needs by \_\_\_\_\_.
- The fee structure we decided on was \_\_\_\_\_, this means \_\_\_\_\_.
- We decided on this fee structure because \_\_\_\_\_.
- You could also consider \_\_\_\_\_.
- We also discussed about \_\_\_\_\_ but you felt at this time it was not a priority and it was something we should re-look at in \_\_\_\_\_.

If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about the policy or why I am recommending it, do not hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder of why you invested in this policy.

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Advisor Name

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Advisor Signature

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Date



All information included in this document in “blue” is intended for you the user and should be removed once the document is completed for a client. This document should be given to the client or sent electronically after your meeting with the client. Information/wording in red is template wording and should be reviewed and edited to match the circumstances of your client meeting, they should provide the “reason why” choices were made between you and the client. A copy of the delivered Reason Why letter should be kept in the client file.

### **Reason Why Sample letters**

These samples are intended as an example to show the level of detail that should be included in the letter and a possible way of presenting this information in various types of situations. They are not intended to serve as examples of suitable specific recommendations.

#### **Example 1: Recommendations Fully Implemented**

When we met, you indicated that you and your husband are both young and healthy, you are expecting your first child and just bought a house. You said you are the sole income earner in the family want an inexpensive option to pay off the mortgage if you die. This policy meets your needs by providing the coverage you want (\$250,000) in the least expensive way. You could extend the coverage with a longer term but this is more expensive. A ten-year renewable policy means the insurer will continue the coverage for ten years provided you pay the premium each year. If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about the policy or why I am recommending it, don't hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder of why you have the policy.

#### **Example 2: Recommendations Partially Implemented**

I am recommending that you buy a universal life policy and critical illness insurance. The universal life policy is called [name of policy] and it is offered by [name of insurer]. The critical illness policy is called [name of policy] and it is offered by [name of insurer]. When you met, you indicated that you are quite well off and are primarily concerned about building up an inheritance for your children in a tax efficient manner. You also indicated you are healthy but would like some additional financial security if you become sick and can't work. We have discussed various ways you can use the universal life policy. For now, the most effective way of meeting your needs is for you to simply pay the premiums.

You also indicated that the critical illness insurance is not an immediate priority, so you will think about it some more. About this time next year, we will discuss the critical illness issue.

If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about the policy or why I am recommending it, don't hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder of why you have the policy.



### **Example 3: Wealth Product with Fee Options**

As we discussed, I have sent in the application for an individual variable insurance contract. The policy is called [name of policy] and it is offered by [name of insurer].

When we met, you indicated that you wanted to invest in the equity market but did not feel comfortable with the risk that goes with investing in mutual funds. Instead, you said, you wanted put your money in a segregated fund. The segregated fund, also known as an individual variable insurance contract (IVIC), you bought has the basic death and maturity guarantees. As we discussed, if you need to withdraw money before then and the market value is down, the value of your investment will be down by the same amount.

You put your money in a Canadian equity fund. You can invest additional amounts in this fund at any time. You can also switch your investment to another fund in the contract or invest additional amounts in a different fund. This contract has different fee options. You selected the no-load option because you wanted all your money invested up front and you thought you might want to withdraw some of your money.

If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about the policy or your investments, don't hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder of why you have the policy.

### **Example 4: Order Execution**

On your request, I have submitted an application for [name of policy] with [name of insurer].

This 20-year term policy for \$500,000 corresponds to the term and amount of your mortgage. As your bank requires, the policy is collaterally assigned to [name of bank]. If you die and the death benefit is greater than the amount owing on your mortgage, the difference will go to the beneficiary you named.

If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about the policy, don't hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder.