

Your phone rings. You look at the caller ID; notice that it's your life insurance agent. Then you click the ignore key on your cell phone. How much can that one action cost you and your family?



You might be thinking you'll call him back later -- after American Idol is over, you've taken out the trash, and the kids are in bed.

Years later, when your insurance policy fails to perform as expected, you might not be very happy. The costs of ignoring a phone call, and conducting periodic reviews of existing portfolios of life insurance can be catastrophic.

[Here's what happens](#) when you: A) Don't understand what you're buying, and B) Don't review it at least once a year with [an agent that is qualified](#) to perform annual reviews.

Now, I don't know if Mr. Blumenthal ignored calls from his agent, or if his agent failed to stay in touch. Maybe both of them dropped the ball? Promptly cancelling a policy, as the article indicates, leads me to believe he acted rashly, but that is another discussion altogether.

A prudent policy owner should work with their agent and conduct annual policy reviews, **especially if their insurance has any non-guaranteed elements.**

For example, if your life insurance premiums are based on what the industry calls "**Current Assumptions**" (namely, current interest rates and current insurance costs). These modern life insurance policies involve projections that are often not guaranteed more than one or a few years. There's nothing inherently wrong with these policies, but they are not like the traditional Whole Life policies that your grandfather purchased and put in a drawer.

These life insurance policies have many names, but the generic names for policies that have non-guaranteed elements include:

- Universal Life (UL)
- Index Universal Life (IUL)
- Variable Universal Life (VUL)

These modern policies **require** regular performance reviews, and sometimes some "maintenance," such as a change in premiums, benefits, how cash values are invested, and policy riders.

Failure to keep these policies "tuned" to your plans and needs can produce undesirable results, so it is in your best interest to accept those calls from your life insurance agent, even if it means you miss a few moments of [William Hung](#) singing his heart out.

Do you have a life insurance agent that you visit with at least once per year? Have you reviewed your coverage since you purchased your last policy?