RESEARCH REPORT

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The Business Case for AI-Powered Permanent Life Insurance Policy Reviews

How structured in-force reviews improve retention, revenue, and client trust

Robert Chwalk, CFP®, CLU®, ChFC®
Founder, Insurance Planner AI Professional

SOURCES

ACLI · LIMRA · J.D. Power · Cerulli Associates · SOA Research Institute · McKinsey · BCG · EY

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Executive Summary

1. **Permanent life policies don't sit still.** Crediting rates change, charges move, guarantees run out, and client needs evolve. Without a periodic review of the in-force illustration, it's hard for an advisor—or a policyholder—to know if the policy is still on track.
2. **The industry isn't reviewing at scale.** J.D. Power's 2025 study of 5,065 policyholders finds that **58%** of agent/advisor relationships are disengaged or transactional, with **43%** reporting zero contact in more than three years. Only **19%** have a trusted advisory relationship.
3. **The economics have prevented it.** Even an experienced specialist needs **2–4+ hours** to produce a fully documented, client-ready review of a complex UL, IUL, or VUL illustration—and many wirehouse and investment-focused advisors lack the specialized skill to review permanent life illustrations at all.
4. **Advances in AI-powered analytical technology have changed the economics.** Structured illustration analysis that historically required hours of manual extraction and calculation can now be completed in minutes through automated diagnostics—Policy Health Score, projections, and clearly flagged risks—at a fraction of the manual cost.
5. **The business case is immediate.** Proactive, personalized reviews are among the strongest measured drivers of satisfaction and loyalty (J.D. Power's **253-point gap**). When a policy is reviewed, the outcome is one of four things: confirm it's working, improve it, adjust coverage, or evaluate alternatives.

The U.S. life insurance market totaled approximately **$22.0 trillion** of coverage in force at year-end 2024, including **$14.1 trillion** of individual coverage across approximately **134 million** individual policies. That is the scale of the block that requires ongoing servicing.

Total new annualized individual life premium reached **$17.5 billion** in 2025, a **10%** year-over-year increase and a new sales record. Of that total, permanent life products accounted for approximately **$14.5 billion**, or roughly **83%** of new individual life premium: whole life at **$6.4 billion** (record), indexed universal life at **$4.5 billion** (record), variable universal life at **$2.6 billion**, and fixed universal life at **$984 million**.

Sources: ACLI 2025 Life Insurers Fact Book; LIMRA U.S. Life Insurance Sales Survey, March 2026 release.

Yet industry data reveal a systemic engagement gap across this enormous in-force block. J.D. Power's 2025 U.S. Individual Life Insurance Study finds that **58%** of policyholder relationships with their selling agent or advisor are either disengaged or merely transactional. Only **19%** of life insurance customers report having a trusted advisory relationship. The satisfaction gap between these groups is stark: policyholders in trusted relationships score **795** on J.D. Power's 1,000-point scale, compared with **542** for disengaged clients—a **253-point** difference—a magnitude that consumer research commonly associates with materially different loyalty behaviors.

Source: J.D. Power 2025 U.S. Individual Life Insurance Study, press release and published findings (5,065 respondents, August 2024 – July 2025).

This report lays out the data behind the business case for structured, AI-powered illustration review: the engagement gap, the termination exposure, a real case example, and the economics of doing this at scale.

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Key Data Points Framing This Report

$22.0 Trillion	Total U.S. life insurance in force, year-end 2024	*ACLI 2025 Life Insurers Fact Book*
134 Million+	Individual life policies in force	*ACLI 2025 Life Insurers Fact Book*
$47.0 Billion	Cash surrender value payments, life insurance policies, 2024 ($44.3B individual)	*ACLI 2025 Life Insurers Fact Book*
$17.5 Billion	Total new annualized individual life premium in 2025 (+10% YoY, record)	*LIMRA, March 2026*
58%	Agent/advisor relationships disengaged or transactional	*J.D. Power 2025*
Only 19%	Policyholders with a trusted advisory relationship	*J.D. Power 2025*
253 Points	Satisfaction gap: trusted vs. disengaged relationships (1,000-point scale)	*J.D. Power 2025*

These data points anchor the rest of the report. Sections 1–3 establish the market scale, engagement gap, and business outcomes. Section 4 walks through a real PolicyReview output. Sections 5–6 lay out the economics of structured review at scale and the strategic implications for advisory firms.

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1. The Permanent Life In-Force Block: Scale and Composition

The permanent life insurance market is both large and actively expanding. Total U.S. individual life new annualized premium reached **$17.5 billion** in 2025, a **10%** year-over-year increase and a new sales record. LIMRA's full-year 2025 data confirm that permanent products—whole life, IUL, VUL, and fixed UL—collectively generated approximately **$14.5 billion** of that total, representing roughly **83%** of all individual life new premium. In 2024, independent distribution accounted for six in ten premium dollars sold (up from half just five years earlier) and represented over 90% of record IUL volume.

Sources: LIMRA U.S. Life Insurance Sales Survey, March 2026 (full-year 2025 data); LIMRA U.S. Life Insurance Sales Survey, March 2025 (2024 distribution-channel data).

This matters because the bulk of new premium is permanent life—products that require ongoing attention as assumptions change over time.

Product	2025 New Premium	YoY Change	Market Share
Whole Life	$6.4 Billion	+7%	37%
Indexed UL (IUL)	$4.5 Billion (Record)	+17%	25%
Variable UL (VUL)	$2.6 Billion	+17%	15%
Fixed UL	$984 Million	-4%	6%

Source: LIMRA U.S. Life Insurance Sales Survey, March 2026. Permanent products total approximately $14.5B of $17.5B+ total individual life premium in 2025. Term life is excluded here because this report focuses on permanent life policies that require in-force illustration review.

Quantifying the Permanent Life Termination Exposure

Each dollar of new permanent premium feeds into a cumulative in-force block with multi-decade duration. ACLI reports a **5.8%** voluntary termination rate by face amount for individual life policies in 2024, consisting of a **4.7%** lapse rate and **1.1%** surrender rate. Life insurers paid **$47.0 billion** in cash surrender values on life insurance policies in 2024, including **$44.3 billion** from individual life policies—up materially from 2023 levels.

Source: ACLI 2025 Life Insurers Fact Book.

SOA Research Institute and LIMRA published two related universal life policyholder behavior studies covering 2015–2021. The 2023 Universal Life Insurance Lapse Rate Experience Study analyzed data from **24 companies** across six UL product types, representing **33.5 million** policy exposures, **$8.5 trillion** in face amount exposure, and **1.3 million** lapse terminations. A separate 2024 Universal Life Premium Persistency and Lapse Rate Experience Study analyzed **14 companies**, representing approximately 50% of flexible premium UL new sales market share, with **11.9 million** policy-count exposure, almost **$4.0 trillion** in face amount exposure, and approximately **417,000** lapse/surrender terminations. The companion 2024 Term/Whole Life Lapse/Surrender Study covered **28 companies**, **135.9 million** policies exposed, and **$30.6 trillion** in face amount exposed, with **$1.4 trillion** in face amount associated with surrenders and lapses.

Sources: SOA Research Institute & LIMRA, 2023 Universal Life Insurance Lapse Rate Experience Study; SOA/LIMRA, 2024 Universal Life Premium Persistency and Lapse Rate Experience Study; SOA/LIMRA, 2024 Term/Whole Life Lapse/Surrender Study.

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Preliminary LIMRA Q1 2026 data show continued momentum, with individual life new annualized premium plus excess up **10%** year over year to **$4.5 billion**.

Source: LIMRA Q1 2026 Individual Life Insurance Sales release.

At that level of surrender activity, policyholders are surrendering or lapsing permanent coverage in meaningful volume—trading ongoing death benefit protection, tax-advantaged growth, and the potential for repositioning in exchange for immediate liquidity. Each surrendered policy represents a consequential financial decision, and the question for advisory firms is straightforward: how many of those decisions occurred without a structured review of whether the policy could have been retained, adjusted, or evaluated against alternatives?

These termination patterns represent both risk and opportunity. Permanent policies that lapse without review may represent lost planning opportunities, missed retention opportunities, or avoidable strain on the client relationship. For advisory firms, the economic question is clear: what share of that surrender activity could have been redirected through a timely, structured review of the in-force illustration?

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2. The Engagement Crisis in Permanent Life Insurance

J.D. Power's 2025 U.S. Individual Life Insurance Study provides the most current and rigorous measurement of the post-sale engagement gap. Based on **5,065** policyholder responses collected between August 2024 and July 2025, the study classifies **43%** of agent/advisor relationships as disengaged—defined as having no interaction in more than three years—and an additional **15%** as transactional, meaning some contact has occurred but without the characteristics of an effective advisory relationship.

Source: J.D. Power 2025 U.S. Individual Life Insurance Study, press release and published findings, October 2025.

Corroborating data from the 2024 study found that among customers who originally purchased through an agent, **35%** had not interacted with that agent in more than three years. Only **31%** of agent-sold customers and **26%** of advisor-sold customers had any contact within the prior twelve months. Fewer than **72%** of policyholders said their policy completely meets their future needs, and only **29%** strongly agreed that their insurer makes complex policies simpler.

Source: J.D. Power 2024 U.S. Individual Life Insurance Study (4,731 respondents, April – September 2024).

LIMRA's 2026 Insurance Barometer reports that life insurance "remains one of the least understood financial products" and that "confusion—not lack of interest—continues to limit coverage, reinforced by widespread overestimation of cost."

Source: LIMRA 2026 Insurance Barometer Study, public abstract.

The Orphan Policy Accelerant

The engagement problem is compounded by structural workforce attrition. Industry trade publications have long cited estimates that **up to 40%** of life policies may be orphaned, with no active servicing agent—although definitions and methodology vary across sources. This orphan dynamic is intensifying: Cerulli Associates reports that **105,000+** financial advisors plan to retire over the next decade, comprising **37.4%** of industry headcount and controlling **41.4%** of total advisory assets. One in four of these advisors are unsure of their succession plan.

Sources: ThinkAdvisor (orphan-policy estimates, 2017 and 2023; definitions vary); Cerulli Associates, U.S. Advisor Metrics 2024 and January 2025 retirement release.

For permanent life policies specifically—products with cash values, embedded guarantees, cost-of-insurance charges, and crediting rate assumptions that shift over time—the absence of proactive advisory contact is not merely an engagement gap. It is a compounding risk to policyholder outcomes and a significant missed opportunity for advisory firms.

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3. Proactive Reviews Drive Measurable Business Outcomes

3a. Retention and Satisfaction

The J.D. Power data establish a direct, quantified link between proactive engagement and policyholder satisfaction. Overall satisfaction is **50 points higher** among customers who received any contact from their insurer or agent in the past year. The type of contact matters: personalized communication—policy reviews, beneficiary check-ins, and financial milestone discussions—drives materially stronger satisfaction and loyalty than generic outreach.

Source: J.D. Power 2025 U.S. Individual Life Insurance Study, press release and published findings, October 2025.

The satisfaction differential between trusted and disengaged relationships (**795 versus 542**) is not an abstract score. J.D. Power reports significant year-over-year variation in carrier satisfaction scores, underscoring the impact of engagement strategies as an increasingly competitive variable. J.D. Power's 2026 U.S. Life & Annuity Distribution Partner Experience Study further documents friction on the advisor side, reinforcing that engagement barriers exist at both the policyholder and distribution levels.

Sources: J.D. Power 2025 U.S. Individual Life Insurance Study; J.D. Power 2026 U.S. Life & Annuity Distribution Partner Experience Study.

3b. Revenue Generation and Cross-Sell

Cerulli Associates and SIFMA joint research documents that the proportion of investors willing to pay for financial advice rose from **38% in 2009 to 63% by 2023**, and the advised investor segment grew from **35% to 47%** of all investors over the same period. Cerulli's 2026 research found affluent investors' willingness to pay for advice reached **68% in 2025**, up from 38% in 2010, with even higher willingness among high-net-worth investors. An expanded set of financial planning services—of which insurance review is a natural component—results in deeper client relationships and higher consolidation over time, as clients bring held-away assets to firms that deliver comprehensive services.

Sources: Cerulli Associates/SIFMA, November 2023; Cerulli Associates, U.S. Advisor Metrics 2024; Cerulli Associates, April 2026 affluent willingness-to-pay research.

A structured permanent life policy review may frame one of several professional discussions: confirming the current structure, evaluating premium or coverage adjustments, assessing supplemental coverage needs, or, where appropriate, comparing alternatives—including an IRC §1035 exchange analysis. The §1035 mechanism is particularly relevant for the large block of legacy UL and VUL policies where credited rates and market performance have diverged materially from original illustrations.

3c. Lapse and Persistency Risk: What the Actuarial Data Shows

SOA/LIMRA found that VUL policies had notably lower premium persistency ratios relative to planned premium than indexed and fixed policies. The separate Universal Life Lapse Rate study found that IUL was the only UL product type to exhibit consistently higher lapse rates by policy year during the pandemic period. The studies also document material variation in lapse experience across product types, guarantee structures, policy years, and study periods.

Sources: SOA Research Institute & LIMRA, 2024 Universal Life Premium Persistency and Lapse Rate Experience Study; SOA/LIMRA, 2023 Universal Life Insurance Lapse Rate Experience Study.

Munich Re's published analysis of ILEC data confirms that first-generation UL products from the 1980s and 1990s exhibit higher lapse rates than whole life, with divergence emerging as early as policy duration 10—consistent with surrender charge amortization and accumulating crediting rate shortfalls. These findings underscore a

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fundamental reality: permanent life policies are not static instruments. Without structured review, identifying which policies are on a sustainable trajectory and which require remediation becomes substantially harder.

Source: Munich Re North America, ILEC Observations: Whole Life vs Universal Life.

4. What a Single Structured Review Reveals: A Real Case

To demonstrate the practical insights that structured illustration analysis surfaces, consider a real PolicyReview generated by Insurance Planner AI Professional in February 2026. The subject: an in-force indexed universal life (IUL) policy approximately 10 years old, with an accumulation design, issued to an insured now age 56. The analysis was produced from a **single in-force illustration upload**—no additional documents, no manual data entry—and delivered a **12-page PDF report to the advisor's inbox in minutes**.

Note: Carrier and product names have been removed. This example is anonymized. No endorsement or disparagement of any carrier or product is implied. All illustrated values are non-guaranteed; guarantees depend on the contract terms and premium requirements. While outcomes vary by policy design, funding pattern, carrier assumptions, and market conditions, this example illustrates the type of insights structured analysis is designed to surface.

The Snapshot: Policy Health Score

The platform's composite Policy Health Score evaluates each illustration across four dimensions: Premium Strength, Cash Value Growth, Policy Stability, and Coverage Longevity. Exhibit 1 shows the full diagnostic for this policy.

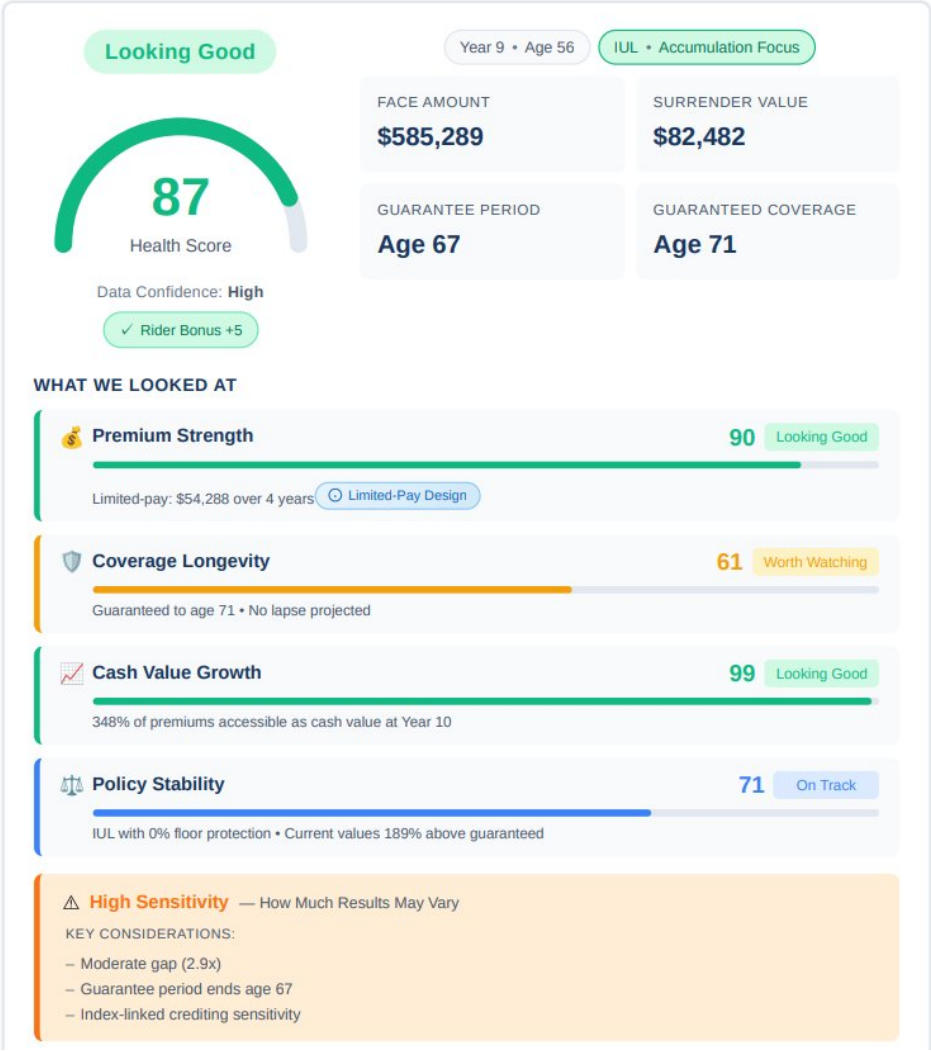

Exhibit 1: PolicyReview Health Score — composite 87/100 with four-dimension breakdown.

An overall score of **87** suggests a policy broadly on track—but the dimension-level detail is where the advisory value lives. Premium Strength (**90**) and Cash Value Growth (**99**) indicate strong funding and accumulation under a limited-pay design ($54,288 over four years). Policy Stability (**71**, "On Track") confirms the IUL's 0% floor is providing downside protection, though current values sit 189% above guaranteed levels—signaling meaningful sensitivity to future crediting rates.

Coverage Longevity (**61**, "Worth Watching") is where this review becomes especially valuable. The guarantee period extends only to **age 67**, while guaranteed coverage lapses at **age 71**—yet illustrated values project lifetime coverage. The spread between illustrated and guaranteed outcomes at year 10 is **$188,737 versus $65,365**. For an advisor, that gap frames a concrete planning conversation: is the client comfortable with the assumption risk through retirement and beyond, or should the advisor explore premium adjustments, supplemental coverage, or alternative structures while the policy is still in a strong position?

The Detail: Key Numbers

Behind the Health Score, the PolicyReview generates a structured set of Key Numbers—derived metrics that would otherwise require manual calculation from raw ledger data. Exhibit 2 shows the full output, organized by funding adequacy, protection and longevity, and risk factors.



Exhibit 2: Key Numbers — funding & liquidity, protection & longevity, risk & constraints.

The numbers tell a layered story. On the funding side, premium adequacy is well above target and **348%** of premiums paid are recoverable as cash value at year 10—strong indicators of a well-funded accumulation design. On the protection side, **10.8x** leverage and projected lifetime coverage suggest the death benefit is working efficiently. But the risk metrics add important nuance: the guarantee period ends at age 67, guaranteed coverage lapses at age 71, the projection spread between illustrated and guaranteed values is wide, and premium funding is approaching MEC thresholds (**96%** of limit illustrated). For the advisor, each metric is a documented talking point. For the client, it's the first time someone has translated their illustration into language they can act on.

Source: Insurance Planner AI Professional PolicyReview, February 2026. In-force IUL accumulation policy, approximately 10 years old. Illustrated (non-guaranteed) values shown.

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The Projection: Where This Policy Is Headed

Beyond the snapshot metrics, the PolicyReview projects cash value growth over the next decade—giving both the advisor and client a forward-looking view of how the policy is expected to perform. Exhibit 3 shows the year-by-year trajectory.

10-YEAR CASH VALUE PROJECTION

End of Year	Age	Premium	Cash Value	Growth
9	56	—	$85,665	—
10	57	$21,800	$107,703	+25.7%
11	58	$21,800	$132,388	+22.9%
12	59	$10,688	$147,849	+11.7%
13	60	—	$153,966	+4.1%
14	61	—	$160,285	+4.1%
15	62	—	$166,813	+4.1%
16	63	—	$173,883	+4.2%
17	64	—	$181,189	+4.2%
18	65	—	$188,737	+4.2%

💰 $54,288 premiums paid — $188,737 projected value

Cash Value reflects illustrated values. This may differ from Surrender Value shown elsewhere. "Growth" shows year-over-year change. Values are non-guaranteed.

Exhibit 3: Value Trajectory — 10-year cash value projection, $54,288 in premiums to $188,737 projected.

Cash value is projected to climb from **$85,665 to $188,737** over the next decade—a **348%** recovery of premiums paid. Two premium payments of $21,800 remain before the limited-pay design completes, with a final partial payment of $10,688 in year 12. For the client, this projection provides concrete visibility into what their policy is expected to deliver under current illustrated assumptions—and a reference point they can revisit with their advisor each year. For the advisor, the trajectory establishes a documented baseline: if actual crediting rates diverge from illustrated assumptions, the gap will show up here first, creating a natural trigger for a proactive conversation well before the policy is in distress.

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The Protection Layer: Riders and Benefits

Permanent life policies often include embedded riders—living benefits, acceleration provisions, and protection features—that may not be visible to the advisor or client without a structured review. The PolicyReview identifies each rider, summarizes its terms, and flags planning considerations. Exhibit 4 shows the rider analysis for this policy.

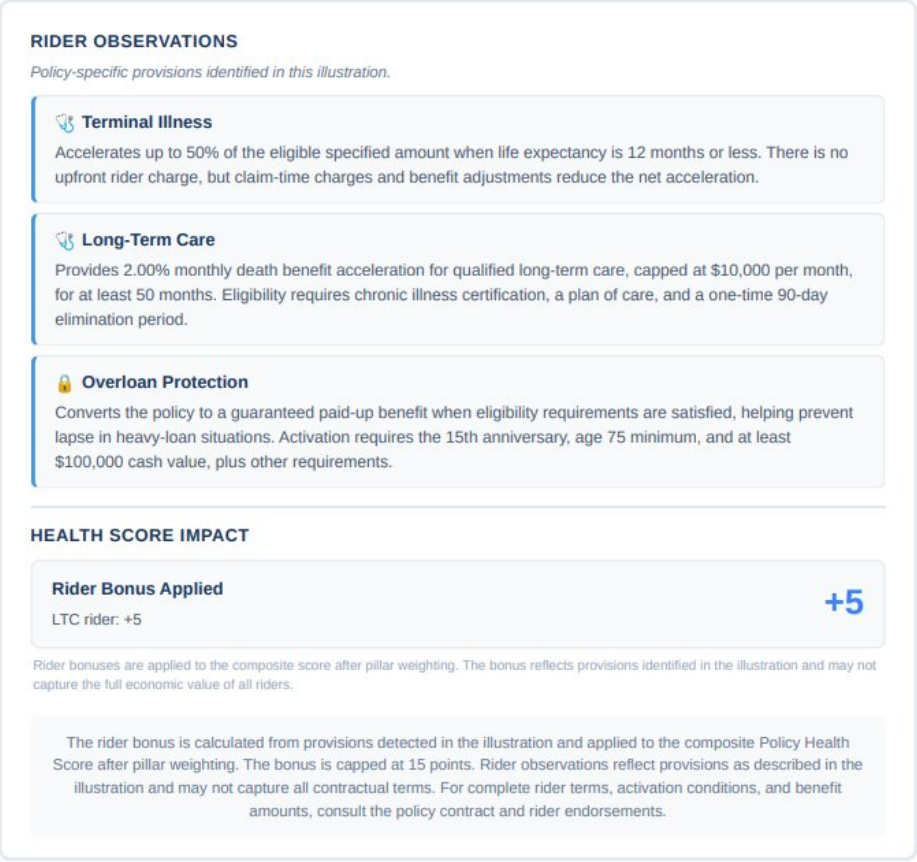

Exhibit 4: Riders & Benefits — terminal illness, long-term care, and overloan protection provisions.

Terminal illness acceleration at 50% of the eligible specified amount, long-term care benefits at 2% monthly (capped at $10,000/month with a 90-day elimination period), and overloan protection that converts to a guaranteed paid-up benefit after age 75 with sufficient cash value—these provisions are all embedded in this policy. For the client, understanding the activation conditions (chronic illness certification, minimum cash value thresholds, specific elimination periods) means knowing what their coverage actually delivers when they need it most. For the advisor, each rider is a planning discussion that deepens the relationship and may surface adjacent needs—long-term care strategy, income protection, or estate planning adjustments.

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What This Review Surfaces for the Advisor and Client

For the advisor—this review transforms a dormant in-force policy into an active planning engagement with documented evidence. For the client—it provides the first clear, structured picture of a financial asset that may not have been examined since the day it was issued.

Retention value. The report frames the next 10–15 years as an active monitoring window—not a "set-and-forget" period. For the client, knowing their policy scores 87 and seeing the four-dimension breakdown replaces uncertainty with documented confidence. For the advisor, delivering this level of insight—proactively, before the client asks—is the kind of personalized engagement that J.D. Power associates with the highest trust and satisfaction scores in the industry.

Risk mitigation. The guarantee period ending at age 67, guaranteed coverage lapsing at age 71, and the wide projection spread are risk factors that, without a structured review, may not be surfaced until the policy is closer to distress. Identifying them now—while the policy scores 87 and the client has options—gives both parties time to evaluate, plan, and act from a position of strength rather than urgency.

New business pathways. If the guaranteed lapse at age 71 creates a gap relative to the client's planning horizon, the review provides a documented basis to evaluate options—premium adjustments, supplemental coverage, or exchange analysis (including IRC §1035 where appropriate). If the policy is well-suited, the review deepens client confidence and strengthens the relationship—the opposite of the disengaged silence that 43% of policyholders currently experience. Either outcome produces value for the client and the practice.

A note on neutrality: Not every policy should be retained. Reviews may validate the current structure, reveal misalignment, or support repositioning where appropriate. The value of structured review is the clarity it provides—regardless of the outcome.

Explore the platform: insuranceplanneraipro.com

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5. Structured Review at Scale: The Economic Transformation

McKinsey & Company estimates that generative AI could unlock **$50–70 billion** in potential value for the global insurance industry, with the largest opportunities in document-heavy workflows including policy issuance, submissions, and claims handling. Early deployments have demonstrated measurable productivity, sales, and cost improvements across operational workflows.

Sources: McKinsey & Company, "AI in Insurance: Understanding the Implications for Investors" (February 2026); McKinsey, "The Future of AI in the Insurance Industry" (July 2025).

Recent consulting research from McKinsey, BCG, and EY increasingly emphasizes that AI value comes from domain-specific workflow redesign, data readiness, and operating-model change rather than generic AI pilots. Insurance Planner AI Professional was built within that domain-specific framing—focused on a single, high-friction insurance workflow rather than as a horizontal AI layer.

Sources: McKinsey (July 2025); BCG, "Competing for the AI-Empowered Insurance Customer" (February 2026); EY, 2026 Global Insurance Outlook.

Policy illustration review is precisely the type of time-intensive, detail-heavy workflow where these economics translate into immediate value. But the time cost depends on who is doing the work—and whether it happens at all.

Experienced specialists (often 30–60 minutes for an initial assessment). A highly skilled advisor with deep permanent life experience can scan an in-force illustration in 30–60 minutes and form a professional judgment about whether the policy is on track. However, that assessment may not produce standardized documentation, derived metrics, or a client-ready written report. It lives in the advisor's head—useful for one policy, but impossible to scale across an in-force block.

Full documented review (2–4+ hours per case). Producing a fully documented, client-ready review—extracting data from multiple ledger pages, calculating derived metrics (premium recovery, protection leverage, MEC proximity), assessing risk factors, writing narrative insights, and formatting a professional report—requires, in typical advisory practice workflows, **2–4+ hours** of specialist time per case. That time cost is the primary reason most policies are never formally reviewed.

Investment-focused advisors (review may not occur consistently). A significant share of permanent life premium is sold through wirehouse and broker-dealer channels where the advisor's core competency is investments, not insurance. These advisors rely on their BGA or IMO for underwriting and product selection—but rarely for ongoing in-force review. The result: policies that are sold but often not systematically reviewed after issue. Combined with widespread orphan-policy concerns and 105,000+ advisor retirements, this creates a structural review gap that cannot be addressed through manual effort alone.

The consequence is not just inefficiency—but unmanaged policy risk, missed planning opportunities, and client portfolios containing insurance assets that may no longer be aligned with original objectives.

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Insurance Planner AI Professional: The Flagship Platform

Insurance Planner AI Professional structures life insurance policy analysis at scale. The platform serves BGAs, IMOs, RIAs, carriers, broker-dealers, and advisory firms—along with the estate planning attorneys, trustees, and CPAs they work with. It is built around professional oversight, privacy-focused architecture, and enterprise-grade security practices.

Specialized Applications, One Platform

A complete workflow across single-policy diagnostics, goal alignment, comparative analysis, and trust-owned policy review. Each application stands alone or connects into a full client engagement.

Policy Review — *Single-Policy Diagnostic.* Four-pillar Policy Health Score with funding adequacy, cash value trajectory, rider analysis, and structured next steps. The case above is a Policy Review output.

Policy Match — *Goal Alignment Analysis.* Goal-by-goal alignment ratings mapped to five planning paths—based on the client's current priorities, captured through structured intake rather than narrative.

Policy Compare — *Side-by-Side Comparative Analysis.* Six-dimension neutral scorecard with visual comparison charts and §1035 exchange economics built in when a replacement scenario is detected.

TOLI Review — *Trust-Owned Policy Review.* Trustee-language analysis aligned to the trust's stated purpose, obligation period, and governance model—written for the trust file and committee discussion.

Two deliverables every analysis. An interactive dashboard for review and meeting preparation, plus a professional PDF report ready for client conversations, compliance files, and internal review.

REVIEW ECONOMICS AT A GLANCE

- **Specialist Review:** Often 30–60 min, no standardized output, not scalable
- **Full Documented Review:** 2–4+ hours per case in typical practice workflows
- **Wirehouse / Investment-Focused:** Review may not occur consistently
- **Insurance Planner AI Professional:** Structured analysis and client-ready PDF in minutes

Schedule a 30-minute demo: calendly.com/financialplanner-ai-support/30min | **Explore the platform:** insuranceplanneraipro.com

6. Strategic Implications for Advisory Firms

The convergence of market scale, engagement gaps, and AI-driven economics creates a clear strategic imperative.

Revenue expansion. The IUL case illustrates the pattern: a policy scoring 87 still surfaces a guaranteed lapse at age 71 and a wide projection spread. These findings may inform professional discussions about coverage duration, premium adjustments, supplemental coverage, or product alternatives—each representing a potential planning and revenue opportunity. When the cost per review drops from hours of specialist time to minutes of AI-powered analysis, even moderate-value policies may become economically practical to review.

Client acquisition. Offering a prospective client a Policy Health Score and 12-page diagnostic on their existing permanent life illustration—delivered in minutes—is a high-value engagement tool that signals planning depth and positions the advisor as a client-centered professional.

Retention defense. The J.D. Power data are unambiguous: the **253-point satisfaction gap** between trusted and disengaged relationships is one of the clearest quantified satisfaction differentiators in the study. In a market where 43% of relationships are already disengaged, initiating structured contact through a comprehensive review creates a clearer path to engagement and retention.

Succession readiness. With **105,000+** advisors retiring over the next decade, the ability to rapidly onboard and review acquired books of permanent life business—many containing legacy UL, IUL, and VUL illustrations with complex embedded mechanics—becomes a critical capability for firms engaged in practice acquisition. Cerulli's 2025 transition-services research underscores the scale and urgency of the advisor-retirement wave and the need for systematic review capabilities during book transfers.

Documentation and oversight. Structured reviews may also support more consistent documentation, supervisory review, and client-file organization within regulated advisory environments.

Conclusion

The implications are clear: a **$22.0 trillion** in-force market, **$47.0 billion** in 2024 surrender activity, and **$17.5 billion+** in 2025 new premium. The J.D. Power data quantify the difference between trusted relationships and disengaged ones at **253 points**. And as the case study shows, even a strong-looking policy can contain time-sensitive risks that only surface through structured review. Insurance Planner AI Professional is designed to materially reduce the historical cost barrier, enabling advisory firms to convert this market-wide engagement gap into retention, revenue, and competitive advantage.

Schedule a 30-minute platform demo: calendly.com/financialplanner-ai-support/30min

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Sources

Sources are grouped by research category. All statistics are sourced to publicly available publications; where secondary compilations are referenced, the primary publishing source is identified.

Market Scale and Distribution

1. American Council of Life Insurers (ACLI), **2025 Life Insurers Fact Book** (published November 17, 2025); Chapter 7, Table 7.1 (life insurance in force); Chapter 7, Table 7.4 (voluntary termination rates by face amount); Chapter 5, Table 5.2 (payments from life insurance policies). Total in-force coverage (~$22.0T at year-end 2024), 134M individual policies, 5.8% voluntary termination rate (4.7% lapse + 1.1% surrender) by face amount for individual life, $47.0B in cash surrender value payments ($44.3B individual life).
2. LIMRA, **U.S. Individual Life Insurance New Premium Tops $17.5 Billion to Set New Sales Record in 2025** (March 19, 2026). $17.5B+ total new annualized premium (+10% YoY); product-level breakouts: WL $6.4B, IUL $4.5B, VUL $2.6B, Fixed UL $984M, Term $3.1B.
3. LIMRA, **U.S. Individual Life Insurance Premium Sets New Sales Record in 2024** (March 25, 2025). Distribution data including six-in-ten independent share and 90%+ of IUL volume in 2024.
4. LIMRA, **U.S. Individual Life Insurance Sales Post Strong Growth in the First Quarter** (May 6, 2026). Individual life new annualized premium plus excess up 10% YoY to $4.5B in Q1 2026.

Engagement and Customer Experience

5. J.D. Power, **Life Insurance Customer Satisfaction Varies Widely Based on Carrier and Distribution Channel (2025 U.S. Individual Life Insurance Study)**, press release (October 9, 2025). 5,065 respondents fielded August 2024–July 2025. 58% disengaged/transactional; 19% trusted; 795 vs. 542 satisfaction scores; 50-point contact lift; significant YoY variation in carrier satisfaction.
6. J.D. Power, **2024 U.S. Individual Life Insurance Study** (October 2024). 4,731 respondents fielded April–September 2024.
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10. Cerulli Associates / SIFMA (November 2023). Advised segment grew 35%→47%; willingness to pay for advice rose 38%→63%.
11. Cerulli Associates (January 2025). Retirement release and advisor-retirement context.
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22. EY, **2026 Global Insurance Outlook** (January 28, 2026). Agentic AI and operating-model implications for insurers.

Internal Source

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