

Eight-Factor Suitability Checklist

A defensible record of why a settlement was or wasn't appropriate. Complete during or after the client meeting; file with suitability notes.

Client _____	File no. _____
Date _____	Advisor _____
Insured age _____	Policy face \$ _____ State _____

SCORE EACH FACTOR — 0 (red flag) / 1 (neutral) / 2 (favorable)

#	Factor & favorable signal	Notes	Score
1	Age of insured — favorable at 65+		■ 0 ■ 1 ■ 2
2	Health change since issue — favorable when material decline		■ 0 ■ 1 ■ 2
3	Face amount — favorable at \$100K+ (efficient above \$250K)		■ 0 ■ 1 ■ 2
4	Premium burden — favorable when burdensome / unaffordable		■ 0 ■ 1 ■ 2
5	Client posture — favorable when surrender/lapse imminent		■ 0 ■ 1 ■ 2
6	Beneficiary need — favorable when no dependent need for DB		■ 0 ■ 1 ■ 2
7	Tax posture — favorable when in lower marginal bracket		■ 0 ■ 1 ■ 2
8	Replacement need — favorable when no need or can't re-underwrite		■ 0 ■ 1 ■ 2

Total score _____ / 16

12 – 16 Strong signal — full eight-factor analysis warranted; pull policy, medical, surrender letter.

7 – 11 Mixed signal — closer look; document why introducing or declining to introduce option.

0 – 6 Weak signal — settlement unlikely to outperform alternatives. Note for the file.

Recommendation & rationale:

Advisor signature: _____ Date: _____