STONE POINT FINANCIAL GROUP
CASE STUDY

POLICY MONITORING DISCOVERS CARRIER MISPLACED CLIENT'S PREMIUM PAYMENT

THE SITUATION

Jim Walsh[1], a 57-year-old orthopedic surgeon, owned a $7.5 million term policy and had a perfect record of paying his $10,000 annual premium on time. This was due in part to the fact that we had arranged for Jim's policy to be managed and monitored by the Valmark Policy Management Company (PMC).

In preparing Jim's annual policy review, the PMC team discovered that Jim's premium hadn't been received by the insurance company. The team sent a reminder notice to Jim to ensure the premium would be paid. Meanwhile, Jim received a lapse notification for unpaid premium from the insurance company.

WHAT WENT WRONG

Upon investigation, the PMC team learned that Jim had correctly paid his premium a month early and his check had been immediately cashed by the insurance company. However, the payment ended up not being applied to the policy, even a month after the premium payment was processed, "due to a major clerical error by the carrier."

THE OUTCOME

This policy would have eventually lapsed without the planned premium payment. Prompted by the PMC team's inquiry and follow up, the insurance company found the payment, applied the payment to Jim's policy, and dated it as being paid on the policy's anniversary date. This enabled the policy to continue to perform as originally intended.

The PMC team's experience, attention to detail, and focus on timely solutions are among the reasons why Jim commented to us, "This is exactly why I'm glad I have the Policy Management Company looking after my policy. It provides peace of mind to my family and me."

[1] Client name has been changed to protect confidentiality.

STONE POINT FINANCIAL GROUP | TOM FAY, CLU® ChFC® | 312.445.9440 | TFAY@STONEPOINTFG.COM