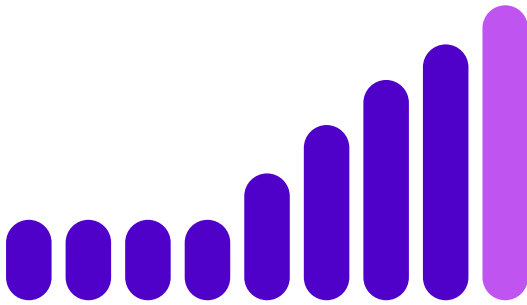




Term vs. Perm: Paying less now could cost more in the future

Our protection IUL provides guaranteed protection, cash value and an attractive return of premium rider, providing clients with a lifetime of flexibility.



Let's take a look at a case study example

Many clients default to term insurance solely based on the initial premium, without considering how their needs will evolve. The following scenario demonstrates how a permanent strategy can offer a more secure, cost-effective solution over a lifetime.

Meet Michael

- Male, 45-year old
- Preferred non-tobacco

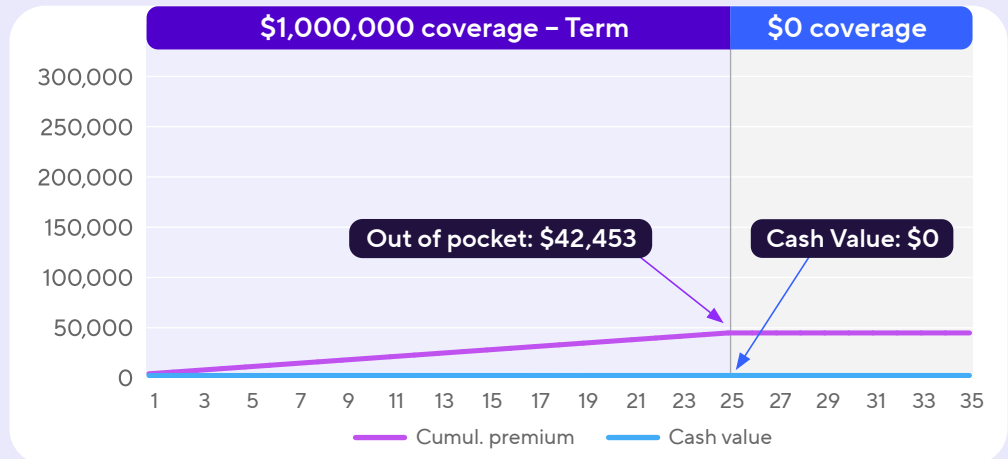
Goal: \$1,000,000 in coverage for remaining mortgage, loss of income to spouse and estate settlement costs.

Misconception: The only affordable option is term, and permanent insurance is too expensive.

Three ways to solve the same goal

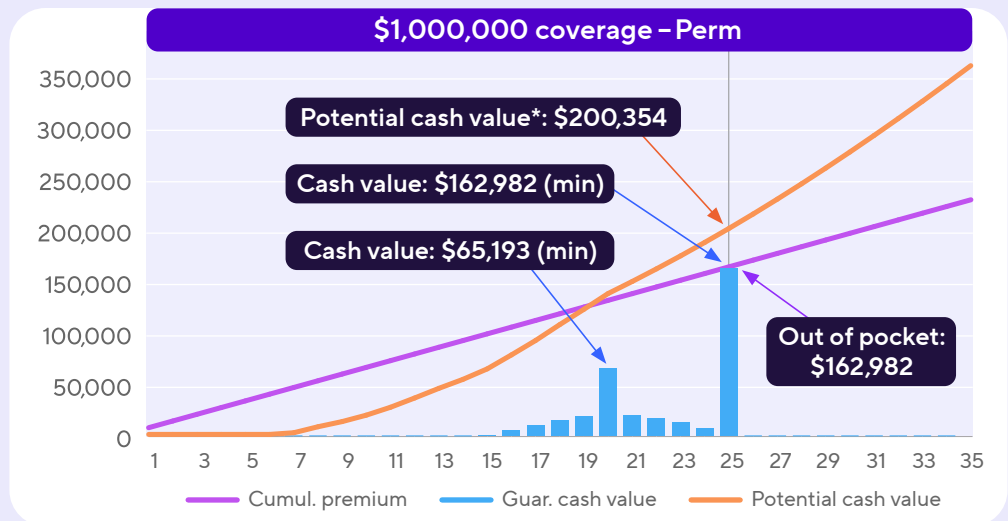
Option 1: Term only

Michael can purchase a 25-yr Select-a-Term policy, which provides the coverage he is looking for. We assume coverage is terminated at year 25.



Option 2: Perm Only

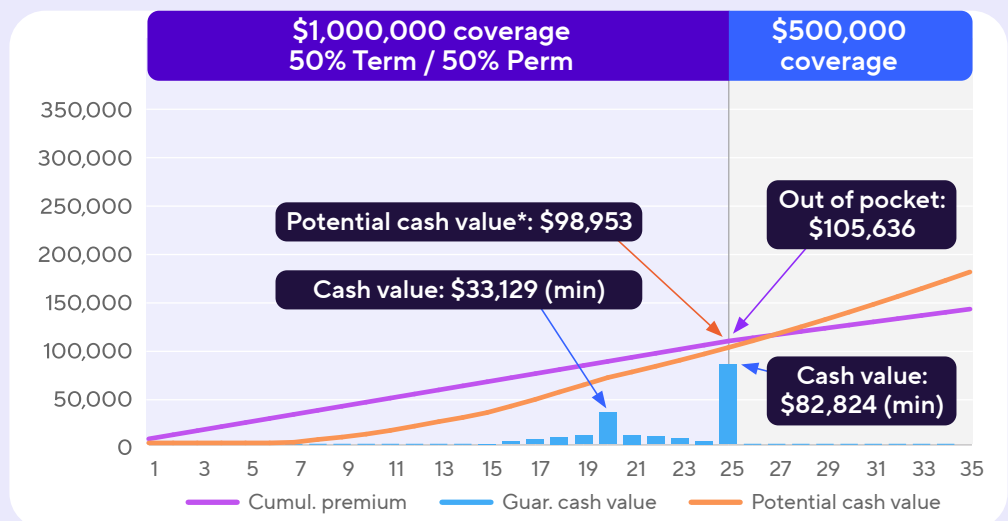
Michael can purchase a Value+ Protector (IUL) with Enhanced Surrender Value (Return of Premium) policy, which provides the coverage he is looking for and lets him build cash value. While the upfront price is higher, he is buying flexibility and value for his later years.



*assumes 5.67% Rate of Return | Guaranteed cash value are Return of Premium options at year 20 and year 25

Option 3: Term + Perm

Michael can diversify** and purchase a Value+ Protector (IUL) with Enhanced Surrender Value (Return of Premium) policy and a Select-a-Term policy, which provides the coverage he is looking for, lets him build cash value, and provides some level of flexibility and value for his later years.



*assumes 5.67% Rate of Return | Guaranteed cash value are Return of Premium options at year 20 and year 25

** While this option illustrates a 50/50 split, you can adjust the allocation to suit your client.

Summary Table of Three Options – at Year 25

	Out of pocket	Guaranteed values		Non-guaranteed values		Continued coverage option
		Cash value	Surrender policy (net out of pocket)	Potential cash value	Surrender policy (net out of pocket)	
Term only	\$42,453	\$0	-\$42,453	\$0	-\$42,453	No
Perm only	\$162,982	\$162,982	\$0	\$200,354	\$37,372	Yes
Term + Perm	\$105,636	\$82,824	-\$22,812	\$98,953	-\$6,683	Yes

By continuing coverage beyond policy year 25, the IUL provides **flexibility and value**:

- Cash out: Opportunity at years 20 and 25 for return of premium or return of premium + growth
- Continued permanent coverage beyond the term

What did Michael do?

After his financial professional provided the comparison to him, Michael's mindset shifted from paying for a "maybe" with term to paying for something with "certainty." Michael chose the IUL policy for capital preservation and flexibility. His money remains preserved and continues to work for him whether he:

- **Lives:** he can access the cash through loan or withdrawal
- **Dies:** his family gets the death benefit
- **Surrenders the policy:** he keeps his principal



A strategy for your practice

As a financial professional, your clients rely on you to find appropriate financial strategies for them. Traditional term life insurance is a lost expense if the client outlives the policy. By using an IUL policy (potentially in combination with a term policy) with a return of premium rider, you turn that cost into long-term, strategic agility: this strategy allows your clients the flexibility to make decisions when they need to be made, not years or decades before.

Here's what you can do to start applying this strategy to your practice:



Learn more about our IUL product and riders by downloading the [Value+ Protector product guide](#), and the [Enhanced Surrender Value Rider](#) (Return of Premium) brochure.

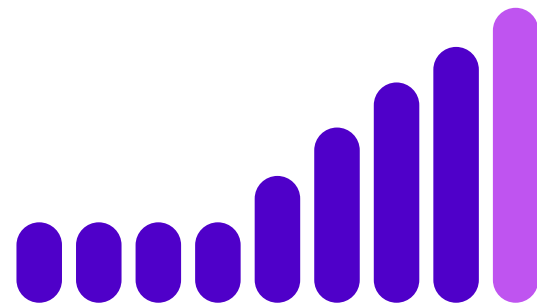


When having an upcoming conversation around protection products with a client, easily apply this concept by [running quotes](#) for them for both term / IUL products, or a combination. Use these as a basis for the conversation with your client.

Step 1: Show them the term quote as the “floor protection.”

Step 2: Ask them, “In XX years, when you’ve paid #[total term premium], would you prefer to have a “thank you” note from the insurance company, or a check for every dollar you gave to them?”

Step 3: Frame the IUL quote not as 3x the cost, but as the term cost plus a forced savings component that guarantees a 100% return of what they paid in.



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