

ROP LIFEMAX

Most Return of Premium Term policies are written on clients who have purchased a new home, refinanced a loan or secured a second mortgage on their home. ROP Term has other useful applications in the professional, executive and business owner markets. Clients have a need for additional life insurance coverage during their accumulation years. As clients are working, building a business, paying off mortgages, providing for a college education and saving for retirement, the need for life insurance is greatest. Unfortunately, today most clients are under insured.

Once a client has retired, the need for life insurance has diminished. However, there may still be a need for estate protection and preservation. How can we provide the right amount of coverage for your clients and still provide them with competitive products that can last a lifetime?

Situation:

- Client: 35 year old, male, non-smoker, preferred, married, 2 children
- Income: \$100,000
- Mortgage: \$250,000
- Insurance needs: \$1,000,000 until age 65; \$500,000 for lifetime; premiums and face amount guaranteed

Solution:

- A \$1,000,000 UL policy could cost your client \$6000 to \$10000 of premium per year which would impact their current standard of living and ability to save for college education and retirement.
- \$500,000 30 year Return of Premium Term policy cost, \$865 per year.
- \$500,000 UL policy guaranteed to age 110 cost \$2,950 per year.
- The total outlay for the two policies would be \$3815. Much less than the \$6000 plus for all UL and at the end of 30 years, the client receives all premiums from the ROP Term equaling \$25,950.

Advantages:

The client has a number of options available to him. At the end of the term period:

1. Use ROP proceeds to lower UL premium
2. Spend the money
3. Invest the money
4. Convert term policy to a permanent policy
5. Use proceeds to buy a reduced paid up policy

Whatever choices the client makes, you have been able to give him solutions that provide the most life coverage at the lowest cost.

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