

As If You Needed One More Reason....

To Use Protective's IUL as an Alternative To Term

QUESTION:

Is it more advantageous to sell a term and then convert at age 70, or sell the IUL and just add additional premiums at age 70?

EXAMPLE:

Male Age 62... \$500k DB.... STD rate.... 20yr term policy desired

Custom Choice UL - 20 (premium is \$6,200.19/yr)

- Plugging \$6,200.19 into the IUL performs as follows:
 - o 19yrs at 0%
 - o 20yrs at 3.75% (fixed acct)
 - o 21yrs at 5.81%
- If the 62yr old bought the CCUL-20 now, and converted at 70 (just before conversion expiration) to the IUL
 - o IUL premiums would be \$17,335/yr (assuming Protective doesn't change the product/pricing)
 - o IUL runs to age 105 (with current assumption 5.81%)
- If the 62yr old bought the IUL originally, paying \$6,200.19 annually, he would need to pay \$13,800/yr beginning at age 70 to make the IUL run to age 105 (at 5.81%)

CONCLUSION:

Use the IUL NOW!

But What About the NEW Classic Choice Term?!?!?

Note: Conversion Options are LIMITED IUL only available in the first 5 years

EXAMPLE:

Male Age 62... \$500k DB.... STD rate.... 20yr term policy desired

Classic Choice Term - 20 (premium is \$6,135/yr)

- Plugging \$6,135 into the IUL performs as follows:
 - o 19yrs at 0%
 - o 20yrs at 3.75% (fixed acct)
 - o 20yrs at 5.81%
- If the 62yr old bought the Classic Choice Term now, and converted at 67 (just before conversion expiration) to the IUL
 - o IUL premiums would be \$14,480/yr (assuming Protective doesn't change the product/pricing)
 - o IUL runs to age 105 (with current assumption 5.81%)
- If the 62yr old bought the IUL originally, paying \$6,135 annually, he would need to pay \$12,330/yr beginning at age 67 to make the IUL run to age 105 (at 5.81%).

CONCLUSION:

Use the IUL NOW!