

# Sales Idea: Term and IUL — A Winning Combination

Income Advantage<sup>SM</sup> IUL can provide your clients with valuable life insurance protection. It also offers the opportunity to accumulate cash value<sup>1</sup> for future needs, such as supplementing retirement income. Teaming an Income Advantage policy up with a Term Life Answers<sup>®</sup> policy may be an ideal solution for clients who want to plan ahead for retirement, but also have a larger temporary life insurance need.



## Case Study: Chris

He's currently contributing to his employer-sponsored retirement savings accounts up to the 4% his company matches. He is also contributing to his Roth IRA up to the maximum contribution amount.

### Chris's Goal

Retire early and secure protection for his family.

**The Solution:** Combine an IUL policy with a term life policy.

### Facts & Considerations

- He's a healthy 40-year-old husband and father.
- He needs \$1 million in life insurance coverage to provide protection for his 20 remaining work years.
- He has \$500 per month in disposable income, and would like to use as much of that as possible to accumulate cash value<sup>1</sup> in a life insurance policy to help supplement his retirement income in the future.
- He looks at a combination of temporary and permanent life insurance solutions and he:
  - Purchases an \$800,000 Term Life Answers policy for \$56.29 per month.
  - Contributes the remaining \$450 towards a \$200,000 Income Advantage IUL policy with an increasing death benefit.

### After 20 Years

- Chris's kids are grown so he lets his term policy expire.
- Assuming a 6% crediting rate, his IUL policy is projected to have a death benefit of \$374,290 with a cash value<sup>1</sup> of \$174,290.

### Chris Retires at 60

- He begins taking income tax-free level distributions from his IUL policy.<sup>2,3</sup>
- This provides him with \$14,239 of supplemental retirement income annually for 20 years.

### **What if he retires at age 65 instead, but stops paying premiums at age 60?**

- At 65, his projected distribution amount increases to \$18,097 for 20 years.

<sup>1</sup>The amount that may be available through loans and withdrawals, as defined in the contract.

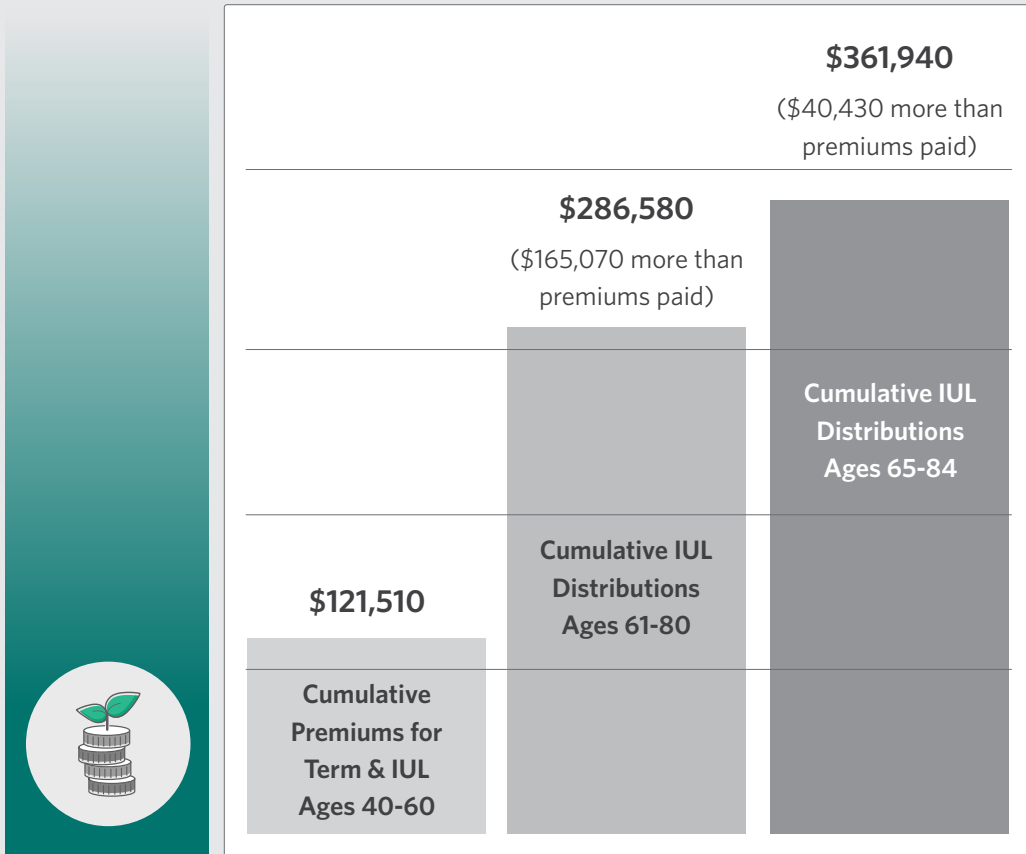
<sup>2</sup> For federal income tax purposes, tax-free income assumes (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); and (2) the policy does not become a modified endowment contract. See IRC §72, 7702(f)(7)(B), 7702A. This information should not be construed as tax or legal advice. Consult with your tax or legal professional for details and guidelines specific to your situation.

<sup>3</sup> Any policy withdrawals, loans and loan interest will reduce policy values and benefits.



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Combining term and permanent coverage helped Chris accomplish his goals of protecting his family for a defined period of time, and supplementing his retirement income. Here's a summary of the numbers:



When you are meeting with clients, make sure to consider the powerful and effective approach of this strategy for those who have similar goals.

For more information on Income Advantage IUL, visit [www.DiscoverIUL.com](http://www.DiscoverIUL.com)