

## › Provide Flexible Options for Retirement

### USING THE GUARANTEED REFUND OPTION RIDER

A guaranteed universal life insurance policy is a great way to help clients provide financial security for their loved ones should the unexpected happen. The Guaranteed Refund Option, available at no additional cost on qualifying GUL policies,<sup>1</sup> also provides flexible options as the client approaches retirement.

#### HOW IT WORKS

With the Guaranteed Refund Option, clients have seven 60-day windows in which they can surrender their policy and get their premiums back – up to 50 percent at the end of year 15 and up to 100 percent at the end of years 20, 21, 22, 23, 24 and 25.<sup>2</sup>

#### CONSIDER JIM'S SITUATION:

At age 55, Jim purchased a GUL policy with the Guaranteed Refund Option rider. Ten years later, Jim decides to retire. He has the flexibility to be more aggressive in spending down his retirement income, knowing that he has seven 60-day windows where he can surrender his policy and get his premiums back.<sup>2</sup>

#### CONSIDER RON'S SITUATION:

At age 62, Ron retires. In addition to his other retirement savings, Ron is also eligible to receive a company pension. He is concerned whether his wife, Nancy, will have enough income should he die first, so he decides to take the maximum lump-sum pension payout he can receive and buys a GUL policy. If Ron dies before Nancy, she can use the life insurance proceeds to purchase an annuity that will provide her with guaranteed income for the rest of her life.

But, what happens if Nancy dies before Ron? Because he purchased our GUL policy with the Guaranteed Refund Option rider, Ron has the option to surrender his policy during one of the 60-day windows and get his premiums back.<sup>2</sup> His refund can be used to help supplement his retirement income or for any other purpose he chooses.



Give me a call to talk about how a GUL policy can benefit your clients during retirement.

<sup>1</sup> The Guaranteed Refund Option rider is not available for substandard or tobacco cases under age 50 or for substandard tables 5-16 at ages 50 and above. In order to remain eligible for the rider, the client must continue to make their required premium payments as defined in the rider (GUL only).

<sup>2</sup> The refund amount is capped at 50 percent of the policy's lowest face amount and is reduced by any previous withdrawals and outstanding loans.