

> Provide Added Flexibility

CONSIDER PURCHASING MORE THAN ONE GUL POLICY

By choosing a Guaranteed Universal Life policy, your client receives life insurance protection that is guaranteed for a period up to their lifetime. The client also has flexible options for the future using the Guaranteed Refund Option rider – included at no additional cost on all qualifying GUL policies.¹

The Guaranteed Refund Option offers seven 60-day windows in which they have the option to surrender their policy and receive 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 25.²

MULTIPLE POLICIES CAN LEAD TO MORE FLEXIBILITY

Your client may want to consider purchasing more than one GUL policy, especially if the client believes their life insurance needs may decrease over time. With a multiple-policy approach, your client has an option to continue their guaranteed life insurance coverage on one policy and exercise the Guaranteed Refund Option on the other policy.

CONSIDER MICHAEL'S SITUATION:

At age 45, Michael has a need for \$5 million in guaranteed life insurance coverage. He can purchase one GUL policy that guarantees the full amount of coverage through age 100, or he could choose to spread the coverage over multiple policies.

	Option 1	Option 2
Strategy	Purchase one GUL policy for \$5 million	Purchase two GUL policies – one for \$3 million and another for \$2 million
Annual Premium	\$48,873.61	\$29,324.16 + \$19,549.44 = \$48,873.60

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Initially, it appears that Michael has received the same coverage and benefits for the same price. However, down the road, he has additional flexibility because he purchased multiple policies.

In Michael's case, at the end of year 20, he realizes that he no longer needs as much coverage. Because he selected Option 2, he is able to surrender one of his policies and still keep the other one in force. He surrenders his \$2 million policy and receives a refund of \$390,988.

- > Michael can choose to use his \$390,988 refund to fully fund the premiums on his \$3 million GUL policy. The cost to fully fund his \$3 million policy in year 20 is \$325,462. This allows Michael to stop paying his annual life insurance premiums, freeing up his income to use for other things during his retirement years.
- > Michael may also consider using his refund to purchase a Long-Term Care policy, supplement his retirement income, invest in a vacation home or to use for any other purpose he wants.

¹ 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.

² 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.