



## Life insurance--Check out the Rate of Return!

Life Insurance is a very unique financial product that can help your clients meet a variety of needs. Life Insurance has always provided money to people when it is needed most, which is why the most common use has always been providing financial security for the insured and his or her family. However, life insurance can also be used to offer your clients a competitive rate of return. Yes, competitive rate of return!

If an insured dies during the first year after purchasing a life insurance policy, the rate of return on the premium paid into the policy compared to the death benefit received would be significant. However, if the insured lives to full life expectancy or past life expectancy, how good can the rate of return actually be? Let's look at an example:

*Male – Age 50 – Preferred Best Non-Tobacco – is considering the purchase of a \$1,000,000 secondary guarantee no lapse UL with company ABC and is planning to pay annual premiums for life.*

Year	Annual Premium	Death Benefit	Rate of Return (Tax Free)
1	\$7,767	\$1,000,000	12,775.22%
10	\$7,767	\$1,000,000	44.94%
20	\$7,767	\$1,000,000	15.70%
30*	\$7,767	\$1,000,000	8.26%
40	\$7,767	\$1,000,000	5.06%

\*life expectancy male age 50 (2001 CSO Mortality Table)

At life expectancy (age 80) the rate of return on the death benefit is 8.26% tax free!! Even 10 years after life expectancy (age 90) the rate of return is 5.06% tax free!! If you compare these rates of return to your client's other investments on an after tax basis, it's clear that life insurance provides a very competitive and possibly better rate of return than the other investments they hold. This coupled with the protection and guarantee benefits associated with life insurance make it a very attractive financial vehicle for your clients and prospects

For more information on this concept or assistance with your next life insurance case, give the life insurance experts at the Larry Gordon Agency a call.

At LGA, no case is too large, too small or too complicated.

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### FOR MORE INFORMATION ON RATE OF RETURN CONTACT:



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