

SALES IDEA:

Putting the Return of Premium Rider to Work

The Return of Premium Rider helps clients feel at ease about purchasing a disability income insurance policy that they may never 'use'. Help your clients see the full value of the rider by demonstrating the many ways they can put the returned premium to work.

Solution

The Return of Premium Rider allows clients to either receive disability income insurance benefits if they become disabled and are unable to work, or get back a portion of their premium payments when their term period ends.

Clients can use the returned premium to fund planning strategies to fit their unique stages of life.

Market to Target

- Income ranges \$100,000 to \$300,000
- Families with children or individuals with lifestyles/livelihoods to protect
- Planners who want to feel secure and protected

What Your Client Needs to Know

- The Return of Premium Rider can provide funding opportunities for their other financial strategies
- If your clients receive policy benefits, they may receive a portion of their premiums minus benefits paid
- At the end of each 10-year term, the client is entitled to up to either 50% or 80% of the premiums paid (depending on the option the client selects)
- Returned premium is minus any claims paid
- The maximum monthly benefit your clients can receive is \$12,000
- It's important to understand your client's budget and financial situation as selecting the Return of Premium Rider increases premiums

An Example of the Return of Premium Rider at Work

Your client is a 45-year-old male who has an annual income of \$150,000 and is in a 5A occupation class. He purchased a non-cancelable policy with a 10-year benefit period, 90-day elimination period and selected the Return of Premium Rider with an 80% return.

Annual Premium: \$3,254.14	Return of Premium at end of Year 10: \$27,334.08
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*The Return of Premium Benefit Rider provides a refund of premium paid without interest and is not an investment. The Internal Rate of Return for this benefit is 8.95%

Help the client see how he can put this benefit to work and use the returned premium at the end of both his first and second 10-year term.

First Return - Year 10 Client Age - 55 Planning Strategy: Retirement Funding (Example: Cash Accumulation IUL)	Second Return - Year 20 Client Age - 65 Planning Strategy: Long-Term Care Funding
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