

TERM LIFE INSURANCE



TERM LIFE INSURANCE PROVIDES LOW-COST PEACE OF MIND FOR A FINITE AMOUNT OF TIME – USUALLY 10, 15, 20, 25, OR 30 YEARS – WITH PREMIUMS GUARANTEED TO STAY LEVEL WITHIN THE PERIOD SPECIFIED.

Creative term solutions. Just about anyone can purchase a term policy. But it takes specific expertise to match each person with the right insurance company and the right policy for their particular circumstances. LLIS excels in this matchmaking because of the comprehensive pre-underwriting we do.

Premiums that aren't at a premium. Unlike permanent life insurance (Universal, Whole), term has no cash value which allows for lower premiums. As with any life insurance, the younger and healthier you are, the lower your rate per thousand will be. This is the cost of insurance per thousand. And these premiums are determined by:

- Paramedical exam results
- Personal and family medical history
- Physician records
- Height/weight ratio from exam
- Tobacco use including cigarettes, chewing tobacco, cigars, and e-cigarettes
- Alcohol or drug use
- Hazardous sports or hobbies
- Motor vehicle record
- Foreign travel and/or residency

Term is convertible. Most term policies are convertible (and the only type LLIS typically recommends). For people who need coverage for a longer period than originally anticipated, conversion is a great option. Converting term insurance to permanent insurance does not require underwriting or a paramedical exam, so it's also a great option for insureds whose health has declined. But be careful! The conversion option usually has an end date, so it's important to stay on top of things. When you work with LLIS, we send you a reminder when it's conversion time.

Layers of protection. For people whose needs for insurance may change during the term period, term layering may be the best option. Let's take the example of a 32-year-old male, Rob. He and his advisor have determined he needs \$2 million of coverage for 30 years. They're concerned about his mortgage, retirement funding, and kids' college funds. Would those expenses be covered for his family if he were suddenly gone? Most people would purchase a \$2 million 30-year term policy. His advisor called LLIS for a quote (\$1,700 per year). We suggested he consider term layering. His largest need is in the first 15 years; the smallest in the last 10 years. Term layering saved him money while providing him with the coverage he needed when he needed it:

YEARS COVERED	INSURANCE IN PLACE	TOTAL ANNUAL PREMIUM	ANNUAL SAVINGS FROM 30-YEAR TERM POLICY
1 – 15	\$1M 15-year \$500K 20-year \$500K 30-year	\$390 \$265 <u>\$500</u> \$1,155	\$545
16 – 20	\$500K 20-year \$500K 30-year	\$265 <u>\$500</u> \$765	\$935
21 – 30	\$500K 30-year	\$500	\$1,200

Insurance company sweet spots. Insurance companies use charts to determine each potential insured's risk. Since these charts differ among companies, it's important to know which ones may be more lenient with specific underwriting factors (like which ones won't apply smoker rates to someone who smokes a cigar once a month while golfing; which ones have more forgiving height/weight ratios). We call those the sweet spots; and online search engines don't find them. But LLIS does.



The advisor's insurance advisor.®

YOUR ONE-STOP INSURANCE RESOURCE FOR

Term Life | Permanent Individual & Survivorship Life | Annuities | Disability | Critical Care
LTCi | Hybrid Life/LTCi | Hybrid Annuity/LTCi | Policy Reviews | Life Settlements

(we recommend low-load permanent life insurance and annuities when possible)

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