

# Payment Protector

Payment Protector is decreasing term insurance that offers a different way to help protect your clients and their assets. Traditional life insurance products provide a lump sum death benefit to beneficiaries. With Payment Protector, the death benefit can be paid in monthly income payments.

- ▶ May help cover the mortgage payment when you don't need the level death benefit
- ▶ Death benefit more closely follows the loan balance of a traditional home mortgage
- ▶ May provide assistance for mortgage, taxes, and insurance payments
- ▶ Lump sum payment alternative

## How Does Payment Protector Work?

The Insured purchases a Payment Protector policy and chooses a Monthly Income Death Benefit Period.

If the Insured dies during the Monthly Income Death Benefit Period, the beneficiary has two options:

- ▶ Receive a monthly income payment in the amount established when the policy was issued until the end of the Monthly Income Death Benefit Period (guaranteed to be no less than 24 months). At the end of the Monthly Income Death Benefit Period, monthly income payments stop.
- ▶ Choose a lump sum benefit (amount calculated based on date of death).

## Mortgage, Interest, & Principal Example

A 40-year-old male, with a 30-year, \$100,000 mortgage, is looking for coverage to help protect his family. He'd like to cover his mortgage payments for the next 30 years, at a premium of under \$45 a month.

He first gets a quote for a traditional term policy. The premium is higher than he wants to pay. An alternate, more affordable solution could be Payment Protector.

### Payment Protector, 30-year Monthly Income Death Benefit Period

|  |         |
|--|---------|
| Monthly premium:                                   | \$40.03 |
| Monthly income payments to beneficiary upon death: | \$449   |

The Payment Protector policy is less expensive, and it would provide a monthly income of \$449 to the beneficiary that could help cover monthly mortgage principal and interest payments. The beneficiary also has the option to take a lump sum death benefit upon the Insured's death.

*All examples shown are hypothetical and intended only for illustrative, educational purposes. Figures used in the hypotheticals are not guaranteed or indications of actual coverage amounts.*

# Payment Protector

## Product Specifications

### Type

Decreasing Term

### Premium Options

30, 25, 20, 15 years and To Age 70

### Accidental Death Benefit Rider

An Accidental Death Benefit will pay if the insured dies as a result of an accident within 180 days of the injury. A common carrier death benefit will pay if the insured dies as a result of an accident while riding as a passenger in a common carrier. The amount of the common carrier benefit equals the amount of the accidental death benefit.

Death Benefit: \$10,000 or \$25,000. Rider is optional and available for an additional cost.

### Death Benefit

Upon death of the Insured, a level monthly benefit will be paid until the end of the Monthly Income Death Benefit Period, but will be no less than 24 months in duration.

The beneficiary has the right to elect a lump sum payment instead of monthly benefit payments. Payment amount calculated based on date of death. Once monthly benefit payments begin, a lump sum benefit is no longer available.

### Issue Ages (Age Last Birthday)

Minimum Issue Age: 20

#### Maximum Issue Ages:

15-Year: 75  
 20-Year: 70  
 25-Year: 65  
 30-Year: 60  
 To Age 70: 50

### Underwriting Classes

Standard Non-nicotine; Standard Nicotine; Premiums are Unisex. Non-nicotine rates available if the applicant has not smoked cigarettes, cigars, used nicotine patches, or chewed tobacco or nicotine gum in the last 24 months.

### Issue Limits

Minimum: \$25,000  
 Maximum: \$450,000  
 Non-medical through \$450,000

### Premium Modes & Modal Factors

Monthly EFT: .095  
 Annual: 1.00

### Policy Fee

\$90, Fully Commissionable

### Reinstatement:

If the policy terminates under the terms of the grace period provision, we will reinstate the policy if the request is received within three years (five years in some states) from the date of the first unpaid premium and the client provides acceptable evidence of insurability.

### Minimum/Maximum Benefits:

Minimum and maximum monthly incomes are based on age of the Insured and Monthly Income Death Benefit Period.

The minimum monthly income is the amount that would generate an initial lump sum death benefit of \$25,000.

The maximum monthly income is the amount that would generate an initial lump sum death benefit of \$450,000.

| Monthly Income Death Benefit Period | Monthly Income Limits |         |
|-------------------------------------|-----------------------|---------|
|                                     | Minimum               | Maximum |
| 15-Year                             | \$179                 | \$3,217 |
| 20-Year                             | \$145                 | \$2,610 |
| 25-Year                             | \$126                 | \$2,253 |
| 30-Year                             | \$113                 | \$2,021 |
| To Age 70                           | Varies by issue age.  |         |

### Optional Benefit Riders

- ▶ Additional Insured (not available on "To Age 70" Term Period)
- ▶ Disability Income (also available on Additional Insured)
- ▶ Involuntary Unemployment Waiver of Premium
- ▶ Waiver of Premium