## Sales Idea:

## The Costs that Come With Waiting



Alex is a healthy 40-year-old who owns a successful business and has already maxed out contributions to his qualified retirement plan.

During your initial meeting with Alex, you showed him how his Income Advantage IUL policy could perform, assuming he contributed $\$ 1,000$ per month for 25 years (\$300,000 in cumulative contributions), and then started taking 20 years of distributions beginning at age 66.*

The solve for 20 years of projected income starting at age 66 results in $\$ 51,685$ per year ( $\$ 1,033,000$ in cumulative distributions).

The following chart shows what could happen if Alex waits 5 years to purchase his Income Advantage IUL policy.


## If Alex waits to purchase until age 45:

- He is now only projected to get only $\$ \mathbf{3 4 , 2 1 6}$ per year
- He didn't pay premiums from age 40-45, saving him $\$ 60,000$ BUT it cost him $\$ 349,380$ in projected cumulative distributions over the 20-year period


## If Alex waits to purchase until age 45 and his health declines:

- Alex is now a Standard Nonsmoker, which increases his policy costs. He is now only projected to get $\$ 32,525$ per year.
- The $\$ 60,000$ less in contributions during the five years he waited, plus his health decline, cost him $\$ 383,200$ in projected cumulative distributions over the 20 -year period

Let's take a closer look at the difference in Alex's cumulative contributions and his cumulative distributions over the life of his policy...


## Playing 'catch-up' to achieve the same distributions...

If Alex waits until age 45 , he does have the option to try to play catch-up and pay more premium each month to get back to a projected distribution of $\$ 51,685$ per year. To catch-up, Alex would have to pay $\$ 1,503$ monthly instead of the $\$ 1,000$ per month he originally planned on. This higher premium results in \$360,720 in cumulative premiums over the 20 -year period (instead of his original plan of $\$ 300,000$ in cumulative premiums over the 25 -year period).

## Take the next steps...

If you have a client who is a good candidate for an IUL product but is hesitant to get started, make sure you show him some of these scenarios using the WinFlex illustration software. The scenarios can really help illustrate what your client might be giving up, just by waiting.

To catch-up, Alex would have to pay $\$ 60,720$ additional in contributions.
What could your client do with an extra \$60,720?
\$400,000
\$350,000
\$300,000 \$250,000 \$200,000 \$150,000 $\$ 100,000$ \$50,000 \$0


