DOBEL INSURANCE AGENCY

OUR WHOLE LIFE INSURANCE VS. CONVENTIONAL WHOLE LIFE INSURANCE

CONVENTIONAL WHOLE LIFE

Whole life policies offer a guaranteed level premium and guaranteed cash values that are based on conservative assumptions for mortality, expense projections and investment returns. When any of these components experience better than anticipated performance, excess funds are returned to the policyholder in the form of dividends. Because the components of whole life are not specifically defined in the policy, the level of declared dividends is not based on a disclosed formula. In a whole life policy, the dividends paid can be used in several ways, including the purchase of paid-up additions, permanent coverage that increases the total face amount of the policy and has a cash surrender value.

HYBRID WHOLE LIFE

A hybrid life insurance policy offers level costs of insurance, lifetime minimum premiums, and the flexibility to deposit and use excess funds in tax-deferred investment accounts, including a smoothed investment account. Like whole life, a hybrid policy offers guaranteed cash values, and returns excess earnings to the policyholders in the form of a bonus. The bonus is based on a formula linked to the gross return of the smoothed investment account. Hybrid also provides policyholders with the ability to purchase paid up additions. With hybrid however, there are two ways to purchase this additional guaranteed paid-up coverage: with the bonus, and with a portion of the additional deposits made to the policy.

THE ADVANTAGES

The two main advantages:

- ***Flexibility*** *- on premium amounts, investment allocations, deposit amounts, and so on.*
- ***Greater Returns -*** *more of your money is working for you and not going towards commissions.*

COMPARISON EXAMPLE

A 35 year old male, $1,000,000 of coverage, Paying for 20 years, Assuming -1% Expected Growth:

** Premium is the same*
**Interest Rates are the same*

*The outcome of **OUR** approach, compared to the traditional whole life approach:*

1) *The client would retire with over **$500,000** additional cash.*

2) *They would have over **$1.25 Million** more of Death Benefit at age 65 and over **$1.75 Million** more at the age of life expectancy.*

Contact us to have further in-depth conversation.

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