

A Good Return with Return of Premium Term Insurance

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Given the turmoil of the current investment environment, consumers are becoming more conscious of how they invest their money. Term insurance does not have any investment value. However, a Return of Premium rider added to a term insurance policy can give a policy owner money back – **all** of their premiums back – at the end of the term period.

Did You Know?

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Not only can the owner of the term policy receive the premium payments back, but they are received income tax-free because they are a return of principal. The Return of Premium feature works well in the mortgage protection market, buy-sell situations, key-man cases, and any situation where the insured has a known long-term need and is likely to keep the policy for the full period.

Often clients, and even financial planners and insurance agents, do not see the value of the Return of Premium rider. A term insurance purchaser can have two options for term insurance: a low cost term plan, or an alternative option of a term insurance policy with higher premiums, but with a return of premium rider. This means you can have coverage for 20 or 30 years with a zero net cost! The policy owner loses the use of the extra premium for the 20 or 30 years, but without the rider, the only thing left at the end of the term is some cancelled checks.

It's also important to remember that most Return of Premium term insurance plans have a pro-rated Return of Premium. A policy owner may receive a partial return of premium if the policy lapses, terminates, or is fully converted prior to the end of the term period.

For more information, call Jim at 1-800-966-1495 x7115.

