



A Life Less Complicated!

An Idea Using Security Mutual's Security Designer 10-Pay Life



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Do you have clients who have Certificates of Deposit, savings accounts, money market accounts or other resources that are low risk; offering low rewards? If you do, then here is an idea that may appeal to them. This idea uses Security Mutual's whole life product, **Security Designer WL4U 10-Pay Life**.

We recently had a client, age 67, ready to retire. Our client—we will call him Mr. Riskless—had cash in one of these savings-oriented products. Mr. Riskless had approached us for ideas on how to make this money work for him, but he did not want to increase his risk, and he wanted have access to the funds if necessary. (This is a common request from retirees who are our clients.)

We ran a Security Mutual Customizer LP85 Flex illustration for him. (This was the product that was available at the time.) While he liked

the idea of the death benefit with access to the cash value, he didn't like the idea of paying premiums to age 85. He wanted his life to be less complicated in retirement. The 10-Pay Life policy with the PPIA eliminates annual payments while providing a needed legacy for his family and a source of living benefits if necessary.

Exhibit 1 illustrates that over a 20 year period, the LP85 policy premiums total \$178,606 and provide \$277,750 of total surrender value. The death benefit in year 20 is \$329,187.

When the *Security Designer WL4U Series* was introduced, we reran the illustration as a **Security Designer WL4U 10-Pay** life. Then we added the Premium Paid in Advance (PPIA) feature. This feature is available on all of the Security Designer WL4U Series products. (It is not available on the Customized LP85 Flex.)

Note that Exhibit 2 illustrates that over the same 20 year period, the total premium outlay is \$156,502 and the total surrender value at the end of 20 years is \$280,613. The death benefit in year 20 is \$332,187. Compare the two Exhibits.

Under current assumptions, the **Security Designer WL4U 10-Pay** product achieved favorable results at the end of 20 years, the client's life expectancy, with \$22,104 less total premium outlay.



Mr. Riskless really liked this plan as it suited his needs.

1 He could make one payment and his premiums would be paid automatically over the next ten years.

2 The PPIA is currently paying 2.25% for the 10 years, his contractual premium paying years. Even after-tax* this is more than his current low-risk investment return *before* tax.

3 His actual cash outlay is less than the alternative choice of annual premium payments.

4 His cash value is over \$15,000 more in the tenth year using the WL4U 10-Pay with the PPIA.

5 AND, Mr. Riskless can access the cash values with either design. If he should need to surrender the PPIA, he can resume making the annual premium payments.

6 Because Mr. Riskless, like many baby boomers, is entering a time of life where his health may become a concern, we recommended that he add Security Mutual's Chronic Illness Benefit Rider (CIBR) and the Living Benefits Rider (LBR) to his policy.

These riders will provide access to the death benefit to help maintain his lifestyle should he develop a chronic illness or a terminal illness. Also, any cost for these riders is incurred only if, and when, he must use them.

7 *This life solution is less complicated!*

The flexibility of **Security Mutual's Security Designer WL4U** products lends itself to creative solutions for our clients. This winning design has won us a satisfied client and rewarded us with a concept we can use with other clients.

For more information on Security Mutual's **Security Designer WL4U** products, check out the **Agent Showroom** on SecurityLink, Security Mutual's agent website.

*The PPIA is subject to current income tax.

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The information provided within is in summary form. Policies issued by the Company contain exclusions, limitations and terms for keeping them in force. Refer to the policy for details.

Product availability and features may vary by state. For more information, consult the Product Information section of SecurityLink at <https://www.smlnyagent.com> or contact Security Mutual's Marketing Department.

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Exhibit 1

Security Mutual's Customizer LP85			
Client: Mr. Riskless, Male Age 67, SNS			
Year 1 Total Death Benefit: \$240,865			
Year 20 Total Death Benefit: \$329,187			
Year(s) Premium Paid	Premiums Paid	Total Surrender Value*	Difference (Surrender Value - Premium Paid)
Total 1	\$54,700	\$47,428	-\$7,272
Year 2-5	\$63,742		
Total 1-5	\$118,442	\$112,832	-\$5,610
Year 6-10	\$27,460		
Total 1-10	\$145,902	\$160,597	\$14,695
Year 11-15	\$20,565		
Total 1-15	\$166,467	\$215,181	\$48,714
Year 16-18	\$12,339		
Year 19-20	\$0		
Total 1-20	\$178,606	\$277,750	\$99,144

* Values not Guaranteed and are subject to change by the Company. Actual Results may be more or less favorable than those shown.

Policy Form Nos. 2105; ICC09-2105; Series 2105

Exhibit 2

Security Mutual's Security Designer WL4U 10-Pay				
Client: Mr. Riskless, Male Age 67, SNS				
Year 1 Total Death Benefit: \$267,187				
Year 1 Total Death Benefit with PPIA: \$374,969				
Year 20 Total Death Benefit: \$332,187				
Year(s) Premium Paid	Total Premium Outlay Including PPIA	Total Surrender Value without PPIA*	Total Surrender Value with PPIA Account Value*	Difference in Total Surrender Value and Total Premium Outlay
Total 1	\$156,502	\$39,913	\$147,696	-\$8,806
Year 2-5	\$0			
Total 1-5	\$156,502	\$92,005	\$154,537	-\$1,965
Year 6-10	\$0			
Total 1-10	\$156,502	\$176,244	\$176,244	\$19,742
Year 11-15	\$0			
Total 1-15	\$156,502	\$223,727	\$223,727	\$67,225
Year 16-20	\$0			
Total 1-20	\$156,502	\$280,613	\$280,613	\$124,111

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Policy Form Series 2112

