

# Analysis of the Cost of Waiting

For: Joe Tripp



Presented By: \_\_\_\_\_

[Licensed user's name appears here]

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Insured: Joe Tripp

## Preface

To be certain of having life insurance when you need it, you should acquire it before you need it. So an important factor to consider involves the advantage of acquiring your policy now -- while your health may be the best it ever will be. Of even greater importance, should something unexpectedly happen to you in the short term, your family will be protected.

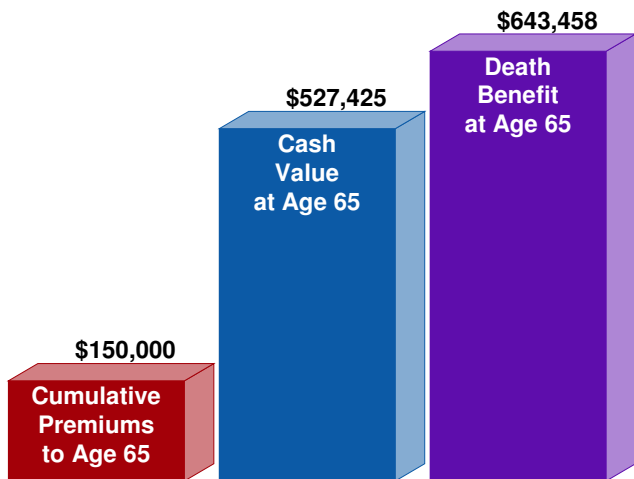
There is usually another reason for acquiring your life insurance early. The example below illustrates a comparison of buying a policy now versus waiting five years to buy it.

### Insured: Joe Tripp Current Age: 35

Cash Value Insurance (CVI) Plan A: Buy Now*		Cash Value Insurance (CVI) Plan B: Wait Five Years to Buy**	
Initial Policy Death Benefit:	500,000	Initial Policy Death Benefit:	500,000
Policy Premium:	5,000	Policy Premium:	5,000
Number of Premiums to Age 65:	30	Number of Premiums to Age 65:	25
Cum. Premiums at Age 65:	150,000	Cum. Premiums at Age 65:	125,000
Cash Value at Age 65:	527,425	Cash Value at Age 65:	294,669
Death Benefit at Age 65:	643,458	Death Benefit at Age 65:	500,000

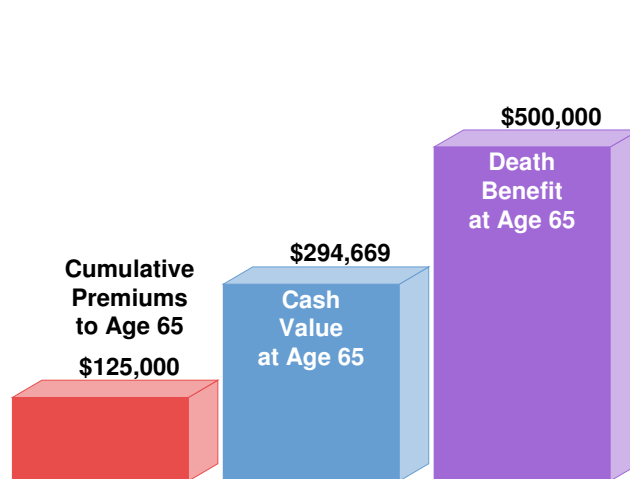
**Cash Value Gain at Age 65 by Buying Now: \$232,756**  
**Death Benefit Gain at Age 65 by Buying Now: \$143,458**  
**Premiums Saved by Waiting Five Years to Buy: \$25,000**

#### Plan A: Buy Now\*



\*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

#### Plan B: Wait Five Years to Buy\*\*



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## Plan A vs. Plan B

Male	CVI	Policy Owner	Male	CVI
Age	Interest Rate	Tax Bracket	Age	Interest Rate
35	8.00%	28.00%	40	8.00%

Plan A: CVI Issued at Age 35					vs. Plan B: CVI Issued at Age 40							
Year	Male Age	(1) Premium Payment	(2) Year End Accum Value*	(3) Year End Cash Value*	(4) Death Benefit	Year	Male Age	(5) Premium Payment	(6) Year End Accum Value**	(7) Year End Cash Value**	(8) Death Benefit	
1	35	5,000	4,541	541	500,000	1	35	0	0	0	0	
2	36	5,000	9,415	1,415	500,000	2	36	0	0	0	0	
3	37	5,000	14,716	6,216	500,000	3	37	0	0	0	0	
4	38	5,000	20,435	11,935	500,000	4	38	0	0	0	0	
5	39	5,000	26,610	18,110	500,000	5	39	0	0	0	0	
6	40	5,000	33,275	25,200	500,000	6	40	5,000	4,324	0	500,000	
7	41	5,000	40,475	32,910	500,000	7	41	5,000	8,955	0	500,000	
8	42	5,000	48,258	41,288	500,000	8	42	5,000	13,984	2,734	500,000	
9	43	5,000	56,670	50,380	500,000	9	43	5,000	19,399	8,149	500,000	
10	44	5,000	65,769	60,244	500,000	10	44	5,000	25,234	13,984	500,000	
11	45	5,000	75,612	70,937	500,000	11	45	5,000	31,521	20,833	500,000	
12	46	5,000	86,229	82,489	500,000	12	46	5,000	38,261	28,248	500,000	
13	47	5,000	97,688	94,968	500,000	13	47	5,000	45,491	36,266	500,000	
14	48	5,000	110,059	108,444	500,000	14	48	5,000	53,246	44,921	500,000	
15	49	5,000	123,419	123,419	500,000	15	49	5,000	61,566	54,253	500,000	
16	50	5,000	137,859	137,859	500,000	16	50	5,000	70,499	64,312	500,000	
17	51	5,000	153,451	153,451	500,000	17	51	5,000	80,070	75,120	500,000	
18	52	5,000	170,304	170,304	500,000	18	52	5,000	90,330	86,730	500,000	
19	53	5,000	188,526	188,526	500,000	19	53	5,000	101,331	99,194	500,000	
20	54	5,000	208,244	208,244	500,000	20	54	5,000	113,130	113,130	500,000	
21	55	5,000	229,602	229,602	500,000	21	55	5,000	125,797	125,797	500,000	
22	56	5,000	252,761	252,761	500,000	22	56	5,000	139,406	139,406	500,000	
23	57	5,000	277,896	277,896	500,000	23	57	5,000	154,033	154,033	500,000	
24	58	5,000	305,214	305,214	500,000	24	58	5,000	169,777	169,777	500,000	
25	59	5,000	334,946	334,946	500,000	25	59	5,000	186,743	186,743	500,000	
26	60	5,000	367,351	367,351	500,000	26	60	5,000	205,043	205,043	500,000	
27	61	5,000	402,799	402,799	515,583	27	61	5,000	224,819	224,819	500,000	
28	62	5,000	441,131	441,131	555,825	28	62	5,000	246,226	246,226	500,000	
29	63	5,000	482,585	482,585	598,405	29	63	5,000	269,441	269,441	500,000	
30	64	5,000	527,425	527,425	643,458	30	64	5,000	294,669	294,669	500,000	
		150,000						125,000				

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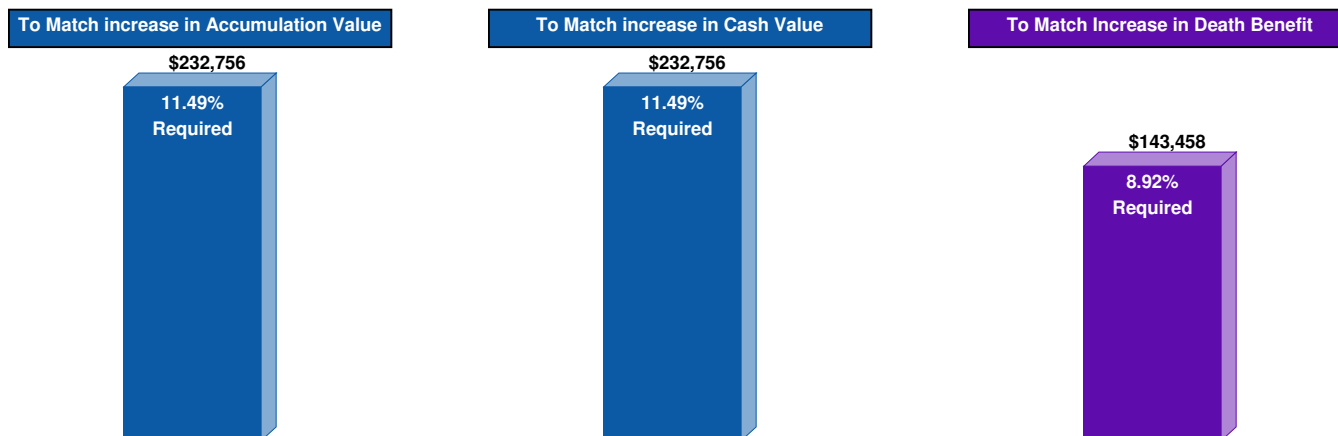
Insured: Joe Tripp

## Matching Values

Male Policy Owner  
Age Tax Bracket  
35 28.00%

### Gross Interest Rate Required over 30 Years on a Hypothetical Taxable Investment Equal to the First Five Premiums of Plan A in Order to Match the Increase in Cash Value and Death Benefit of Plan A over Plan B.

	Hypothetical Taxable Alternative
To match increase in Accumulation Value of \$232,756:	11.49%
To match increase in Cash Value of \$232,756:	11.49%
To match increase in Death Benefit of \$143,458:	8.92%



#### Plan A: Buy Now

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#### Plan B: Wait Five Years to Buy

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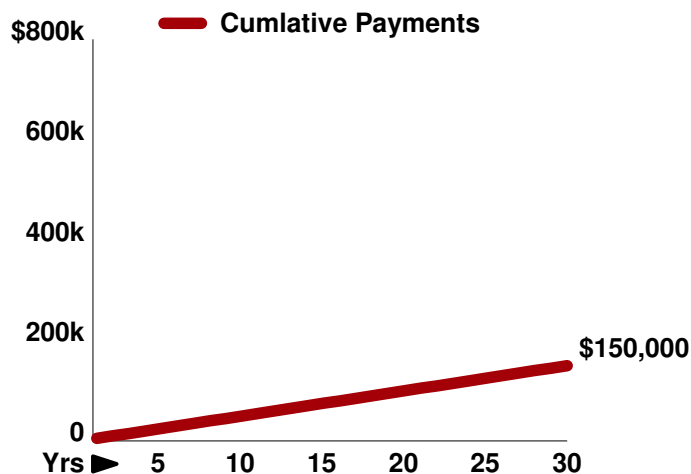
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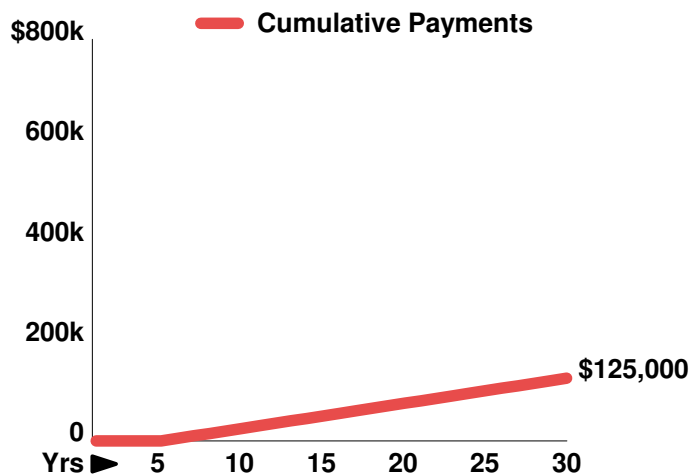
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## 30 Year Analysis

### Cash Value Insurance (CVI) Plan A: Buy Now



### Cash Value Insurance (CVI) Plan B: Wait Five Years to Buy



### Comparative Analysis of Values

