

# Signature Guaranteed Universal Life Insurance

## The Difference is in the Cash-Out Rider



Sarah and Shane were in their early 50's, and Shane had recently received a promotion. Shane had been increasing his group term at work but felt he also needed to provide permanent protection for his family in addition to group term. Shane was looking for the most cost efficient way to provide permanent protection for his family.

Shane and Sarah had talked about their desire to put their three children through college without loans that would follow them around all of their lives. They also talked about the need to contribute the maximum to Shane's 401k in order to have a chance at a decent retirement. It was also important to Shane to ensure that if something happened to him and he died prematurely, Sarah would not have to move out of the family home and that she would have sufficient funds for her retirement as well as the children's college. Sarah had always worked part time but had spent the majority of her time being home with the children.

Shane and Sarah met with Hal, their Insurance Advisor, and asked what he thought may be their best option. Given how much life insurance coverage Sarah and Shane said they needed along with how much they had to spend, Hal showed them American National's Signature Guaranteed Universal Life (SGUL) policy with

the Guaranteed Cash-Out Rider with a \$500,000 face amount. Hal advised that their SGUL policy was dialable and would allow them to select the guaranteed coverage that worked best for them. Since Sarah and Shane did not expect to live past 100, they selected age 100 as the guarantee length for their death benefit.

Hal also talked to Sarah and Shane about American National's Guaranteed Cash-Out Rider. Hal indicated that the Signature Guaranteed Universal Life policy would meet their current needs but reminded them that those needs may change as their situation changed. For example, someday, their house would be paid off, their kids would be educated and living on their own or with their own families, and they would be in retirement.

Hal indicated that with the Guaranteed Cash-Out Rider they would have the ability at the 15th, 20th, and 25th policy anniversary to Cash-out their policy and receive either a partial or full return of their premiums.<sup>1</sup> That way, if they no longer needed the insurance coverage they could receive a return of their premiums.<sup>2</sup> He showed them an example in the illustration where upon their 20th anniversary they could, in this case, receive 100% of their premiums back (subject to a benefit maximum). Hal stated that each company that offered a return of premium rider had a death benefit cap on the total

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benefit that could be received. For their \$500,000 policy, American National's cap was the highest in the industry at 65 percent of the death benefit. In year 20, they could receive back all of their premiums paid. They would both be in their early 70's by then and could assess at that time whether they would like to re-purpose their policy. If they chose not to cash out the policy, they could reevaluate their situation again in year 25. Hal indicated that if they cashed out their policy, there would be no taxable income as this was simply a return of after tax premiums that they had already paid.

Hal told Sarah and Shane that if they cashed out their life insurance policy they could do whatever they wanted with the money. They could add it to their existing investments, place in a deferred annuity, or even purchase an immediate annuity that would provide them additional cash flow for the remainder of their lives.

Sarah and Shane really liked the flexibility provided by the Signature Guaranteed Universal Life policy with the Guaranteed Cash-Out Rider. They liked the fact that they would have three different options to surrender their policy and receive back a partial or full return of premiums if they found they no longer needed the coverage. They could have peace of mind knowing their family was protected along with the additional options to get their premiums back in the event their needs change.

Hal also told them the policy with American National also had living benefits for Terminal, Chronic, and Critical illness that were among the best in the industry. If Shane incurred a severe illness that resulted in shortening his life expectancy considerably, he could request a partial or a full accelerated benefit and would not be restricted as to how to use the funds. The funds could be used to pay down medical bills, hire someone to help Shane, or any other needs. Both Shane and Sarah liked having that added protection, and Shane liked having benefits he could enjoy during his life such as supplemental retirement income from the Cash-Out Rider and protection from life altering medical events.

Sarah and Shane loved the security the Signature Guaranteed Universal Life offered them. The SGUL provided a Guaranteed Death Benefit, a Guaranteed Cash-Out Rider if they later needed the money, and Living Benefits in the event Shane incurred a serious illness. Sarah and Shane felt they were taking care of multiple risks with one product at a very competitive price. Hal completed an application and after everything was through Underwriting, they received their policy and felt a new level of protection from life's unplanned events.

1. The Guaranteed Cash Out rider is not available with all policies. May not be available on all substandard rated policies and some substandard policies may only qualify for the Cash-Out option on the 15th Policy anniversary. 2. The value of the Cash-Out Rider is limited by a percentage of the death benefit and may not always equal the full amount of premiums paid. Policy Form Series: SGUL15, GCOR15, ABR14-TM, ABR14-CH, ABR14-CT (Forms may vary by state). [ACCELERATED BENEFIT RIDER NOTICE](#) American National Insurance Company, Galveston, Texas.

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