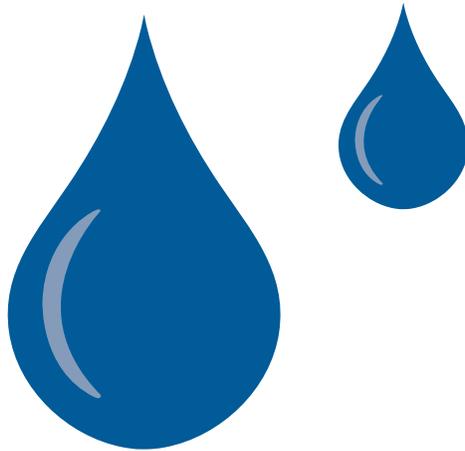# The PURE Comparison

Pure Life Insurance Risk Management

Life Insurance Nerds
Guaranteed Life Insurance
Straightforward
Efficiency Focused

Policy Under Required Expectations

The PURE Comparison
Life Insurance Risk Management Comparison

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What is The PURE Comparison?
Policy Under Required Expectations

The PURE Comparison is a tool that assesses an existing life insurance policy in its purest form; measuring the internal rate of return (IRR) of a death benefit from a life insurance policy and compares it to optimal alternative solutions.

"Scientifically it has been proven that we are all going to die someday.
It is not a matter of if. It is a matter of when."

Is there a chance that your life insurance policy will end before you do?

While we appreciate the benefits of cash values, dividends, and many other useful features of life insurance policies, our clients are looking for maximum efficiency of premiums on a guaranteed level.

The PURE Solution is a tool to reduce the analysis to one straightforward benefit;

Guaranteed IRR at my death for my beneficiaries,
whenever that is.

Let The PURE Solution help you put an end to your uncertainty.

What is Internal Rate of Return (IRR) on Death Benefit?

Death Benefit IRR is the rate of return of a life insurance policy, displayed annually, comparing the cumulative premiums against the death benefit obtained in a hypothetical future year. Depending on the premium paying strategy, DB IRR usually declines throughout the life of the policy. This measurement tool is most useful in evaluating the ultimate performance of a life insurance policy's death benefit in comparison to other product designs or investment strategies.

Or put another way, IRR measures the interest rate at which the net present value of the total premiums paid equals the net present value of the death benefit.

What is Life Expectancy (LE)?

According to The Oxford Dictionary, Life Expectancy is the number of years that a person is likely to live.

Stated another way, "A life expectancy is a statistical calculation that indicates the average length of life left until death that is expected for an individual with a known mortality risk profile. The most important factors in defining an individual's mortality risk profile are demographics (age, sex and race), personal and medical history."

The Social Security Administration defines the period life expectancy at a given age is the average remaining number of years expected prior to death for a person at that exact age. Unfortunately, the Social Security life expectancy tables are woefully inaccurate, as they do not take into account longevity factors such as family history, medical conditions, smoking status, etc.

The Life Insurance Nerds life expectancy calculator uses proprietary information that more accurately represents actual carrier experience and true life expectancy.

Why Complete The PURE Comparison?

Clients and Advisors seek to complete The PURE Comparison when they already own a life insurance policy and they seek certainty with their existing insurance policies and potential optimal alternatives. They insist on a death benefit that will be paid for a guaranteed period of time, whether that time is limited or for the client's entire lifetime.

Clients and Advisors who already own term insurance will appreciate The PURE Comparison as it focuses in the guaranteed objectives of the client and explores the most optimal and efficient alternatives. It will also serve to alert clients of other important considerations, such as conversion options and guaranteed premiums.

Clients and Advisors who already own life insurance and are also focusing on guaranteed death benefits that last as long as the client does, will appreciate The PURE Comparison. This tool focuses on the efficiency of premiums, relative to lifetime guaranteed death benefits and seeks to compare existing life insurance with optimal alternative solutions.

Who Completes The PURE Comparison?

- Clients and Purchasers of Life Insurance Policies
- Trustees
- Financial Advisors
- Legal Counsel
- Businesses and Business Owners
- RIA's (Registered Investment Advisor)
- Private Family Offices
- Tax and Accounting Counsel
- Banks and Trust Officers

The PURE Comparison

(Mr. Wynn Surely, 10/01/48 (age 71), Male, Preferred NonTobacco)

Desired Strategy	Current Policy	Optimal Alternative
	(United of Omaha) BUxxxxx987	
Face Amount	$4,000,000	$4,000,000
Guaranteed Age	age 71	age 100*NERD ALERT!
Guaranteed Premium	$178,247/ year	$113,959/ year
Premium Duration (Life Expectancy = Age 89)	age 100	All Years**NERD ALERT!
Guaranteed IRR at LE (36% Federal and State Combined)	N/A Lapse	5.09%
Guaranteed Taxable Equivalent	N/A Lapse	7.96%

*This policy may be guaranteed beyond Age 100. While the premiums are higher, the potential of you outliving your policy is lower.

**Life Insurance premiums must be paid in All Years. Many clients and trusted advisors desire to limit the premium paying period to further insure that the policy will not lapse due to missed premium payments at a later date. We always welcome additional analysis of a shorter guaranteed premium duration, such as 7-10 Years.

How to Request The PURE Comparison

Include Inforce Policy Ledger

Or

Click Here to Complete the Inforce Policy Request

Client Name _____

Birthdate _____

Health Status: *NERD ALERT!*

Check one of the four boxes:

☐ **Preferred Plus**

Exceptional Health, lowest rates. This category is a tough one to get into. It's generally for those at a normal weight for their height, who have normal blood pressure/cholesterol readings, and have a clean medical history. Usually you can't have a history of premature death in your family related to heart disease or cancer. Your driving record counts too.

☐ **Preferred**

Excellent Health, 2nd-best rates. This category is similar to the Preferred Plus, but allows a bit more elbow room on things like blood pressure, cholesterol, and weight. Perfect health not needed here.

☐ **Standard Plus**

Above-Average Health. You'll fit in here if you're generally healthy, but don't quite meet the Preferred requirements.

☐ **Standard**

Average Health. Not the lowest, but usually still good rates. This category is for those working on their weight, being treated for high blood pressure or cholesterol, or those with a history of premature death from heart disease or cancer in their family

Required Death Benefit _____

Guaranteed Duration Age _____

Premium Duration Age _____

*Health Status is individually determined by life insurance carriers. Life Insurance Nerds seek to confidentially and accurately assess your health status by reviewing medical history, avocation, travel and occupational history with carriers. Please see Health Status Questionnaires as they relate to your specific issues.
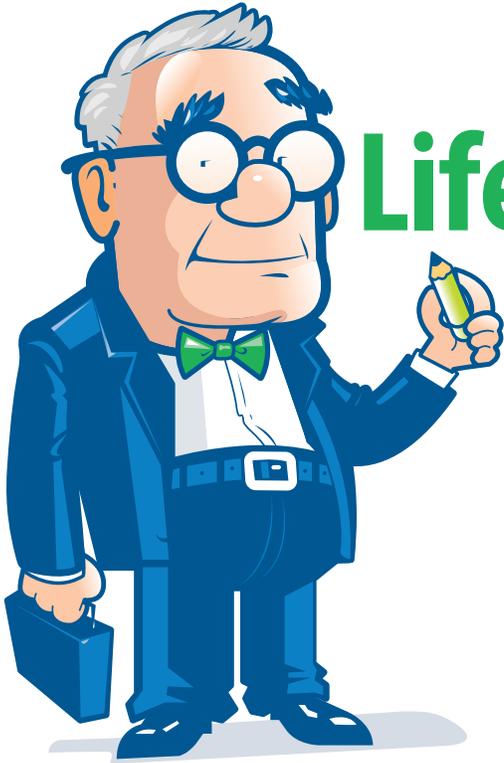
Life Insurance Nerds

Guaranteed Life Insurance
Straightforward
Efficiency Focused

Pure Life Insurance
Risk Management