Episode #220: How to Fortify Your Client’s 3 Most Important Stages of Life

Video Transcription

Hello, and welcome to "Money Script Monday." My name is Jeff Lapierre, and today I want to discuss how to fortify your clients' three most important stages of life.

First, I want to talk about who this plan works for. We're talking about young professionals today. We're talking about somebody who's maybe just started their young career, maybe a higher income earner, and really sees the vision of the benefits of starting a plan early.

Why does this plan work for your client? It starts off at a low cost. If your client is a young professional, the mortality costs are low. We're just starting a plan for your clients, for them to succeed in the future through accelerated benefit riders, with the flexibility of payments in the future, and the promise of insurability down the line.

We're going to promise your client that anytime in the future, no matter what happens to them, that they're going to still be insurable and be able to get life insurance for their family, for legacy purposes or for income purposes. Let's get started.

First, we're going to talk about stage one, which is age 25-35. We're going to talk about them buying one IUL for $1,000 a month, and we're going to buy two term policies. One's going to be a 20-year term, and the other one's going to be a 10-year term. One's going to be for $200,000, the other one's going to be for $250,000.

What really that's going to do is set up the clients for that promise of insurability. We're going to set up two plans, besides the IUL, for a super low cost, and we're going to see later in this lesson how those plans can benefit the client.

We started off with the $1k and the two term plans moving forward, and so let's move on to age 35-45. We're still primarily in the first stage of life. The client is just starting to get working, maybe earning a little bit more, and really wants to add a little bit more value to their upcoming retirement plan.

They're going to convert the first 10-year policy, which is for $250,000, and that cost is going to be around $900 a month. That's going to set aside more cash value for their family or for their retirement, and more permanent death benefit for legacy purposes if anything were to happen along with more accelerated benefits down the road.

We know the 10-year term's going to expire, so why let it expire? Let's put it enforced to a permanent plan so the client can reap the benefits for their entire life. For $900 a month, we converted the 10-year term.

Moving the next stage around 45-55, which we'll call stage two. As they're moving into stage two, they're making a lot more money, and are more concerned about retirement. You know the older we get, the more we start thinking about stuff like long-term care, retirement.

How are we going to take care of our family? What if something happens to me? Well, the client's going to be set up for that. What's going to happen is we're going to ask the client to convert the 20-year term for $200,000 for a price of around $975,000.

At this stage, we have three permanent plans. We have one that we started when we were 25, one that we converted at 35, and another one that we converted at 45. Now the clients really have three buckets of money working for them moving forward in their life. We've gone from a 10-year term to a 20-year term and from stage one to stage two.

Next, we really want to talk about age 55-65 moving forward. What we're going to do is show the benefits of each IUL conversion. How does that benefit the client? At this time, we're going to see that the client, for the two policies, is going to have a total of $109,500 in supplemental retirement income, which we're going to show through cash for tax-free loans. Also, we're also going to have the death benefit attached to that with ABRs moving forward.

So, at age 55-65, the client's really thinking about retirement. It's really on their mind They're going to have the option to take a total of $190,500, which is super strong. But the plan doesn't end there. We still have one more term, one more permanent plan to talk about, which is the last conversion that we did for $200,000.

Let's talk about what happens at age 65-75 with that last $200,000 conversion that we did. We know that the plan's been sitting there, it's been accumulating. The death benefit is probably a lot higher, so now the client has a choice to make.

What's the choice? Are they going to leave it to the next generation, or are they going to take income now? Well, if they're to take income now, the income would be about $52,875, while the legacy plan would be about $1.2 million.

If the client were to take the income at age 65-75, add it on with the total of $190,000, there'll be a total of about $143,000 total income at age 65-75 if the clients were to exercise the income in the last policy. But they don't have to. They can also leave a legacy to the next generation of $1.2 million.

So, we're setting up your client throughout all three phases of their life through affordability, insurability, retirement, and legacy. We did that all from just day one with a young professional for pennies on the dollar.

What are the results of this? We put a plan in action for the client at an early age. The client has a conservative income plan to supplement whatever retirement plans they have made along the way. It protects the family, whether they create a family in the future, against any unforeseen deaths. In the future, when the client has a family, their family’s taken care of. Also, they will be taking care of the next generation through possible legacy.

With that said, I want to thank you all and hope you have a wonderful day.