

II Insured at 50, protected at 62

50

BUYS TERM WHILE HEALTHY

\$1,244 a year

\$500,000, 20-year, convertible to whole life until 70, waiver of premium included.

TWO WAYS TO OWN IT

50–61

ROUTE 1 · QUALIFIED LIFE

\$0 from pay

Paid from seasoned 401(k) money. Nothing from his paycheck; his only cost is tax on the REB, \$126 a year on average.

ROUTE 2 · ON HIS OWN

\$1,595 of pay

For no 401(k), or a plan that won't allow it. Paid with taxed dollars: \$1,244 takes \$1,595 of pay.

62

SERIOUS HEALTH CHANGE

\$13,000 a year

Converts \$418,410 to income and asset insurance (whole life) at his original preferred plus class. No exam, no medical records.

OWNERSHIP

Route 1: moved out of the 401(k) to be owned personally. Route 2: already owned. The other \$81,590 of term can run to 70 or be dropped.

62+

THE PART I PLAN TAKES OVER

\$0 from the budget

She claims early and her \$13,658 a year pays the premium. He waits until 70 for \$4,960 a month.

IF HE DIES AT 75

\$67,173 a year

Her income: his Social Security plus 4% on the death benefit, against \$39,024 with no plan.

What he bought at 50 was the right to convert. Route 1 kept \$17,624 of pay over 12 years; both routes kept his preferred plus class.