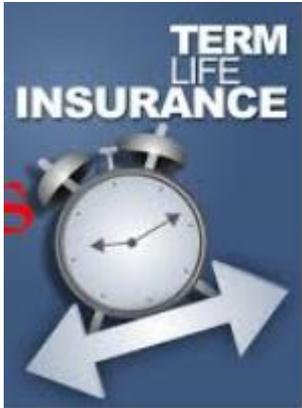


TYPES OF LIFE INSURANCE....



WHO ARE THEY?



**VARIABLE
UNIVERSAL
LIFE INSURANCE**



What are the differences???





PROTECTION

- Term insurance



PROTECTION + SAVINGS

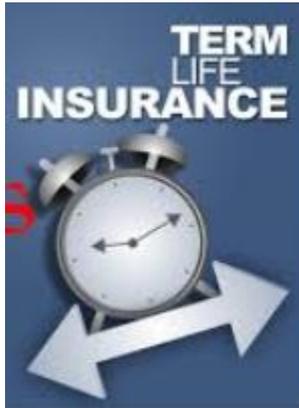
- Whole Life Insurance

**VARIABLE
UNIVERSAL
LIFE INSURANCE**



PROTECTION + INVESTMENT

- VUL or Variable Universal Life Insurance



Type of insurance that:

- ✓ Provides temporary protection for specified “term” of years
- ✓ **“PURE PROTECTION”**

HOW IT WORKS?



Example:

- Juan bought **TRM POLICY**, a term insurance policy
- He is paying Php 4, 000 yearly for 1 year protection
- If he dies, Php 500,000 will be given to his family/beneficiary
- If he lives within one year protection, no money will be returned, thanks God he’s still alive

ADVANTAGE

- ✓ **CHEAP** or **INEXPENSIVE**

DISADVANTAGE

- ✓ Temporary protection **ONLY**
- ✓ Premium increases as the person gets older
- ✓ Need to pay lifetime or until 75 (for some insurance companies) if you want protection





Type of insurance that:

- ✓ Provides permanent protection for the entire life of the insured
- ✓ These policies carry a "cash value" component that grows at a guaranteed amount (usually a low interest rate) until the policy is surrendered
- ✓ **PROTECTION + SAVINGS**

HOW IT WORKS?

Pay **PREMIUM**



You are **PROTECTED + SAVING MONEY**

Example:

- Juan bought **WL POLICY**, a whole life insurance policy
- He is paying Php 15, 800 yearly regularly
- If he dies, Php 1M will be given to his family/beneficiary + any Accumulated Dividends
- If he lives, Cash Value will be given + any Accumulated Dividends

ADVANTAGE

- ✓ Guaranteed benefits (Face Amount & cash value)
- ✓ Level premium meaning premium will not increase yearly

DISADVANTAGE

- ✓ Lifetime premium payment (other insurance company offer limited pay)
- ✓ Money is Saved (not invested)
- ✓ Needs commitment to pay regularly



VARIABLE UNIVERSAL LIFE INSURANCE

- ✓ Variable universal life *insurance* (VUL) is a form of cash-value life *insurance* that offers both a DEATH BENEFIT and an INVESTMENT FEATURE
- ✓ **“PROTECTION + INVESTMENT”**

HOW IT WORKS?

Pay **PREMIUM** (FOR LIMITED NO. OF YEARS ONLY)



You are **PROTECTED + MONEY IS GROWING**

Example:

- Juan bought **VL POLICY**, a variable universal life insurance policy
- He is paying Php 27, 000 yearly for 10 years
- If he dies, Php 1M will be given to his family/beneficiary + any outstanding fund value
- If he lives, he may redeem the fund value of his investments

ADVANTAGE

- ✓ Pay for limited number of years ONLY
- ✓ Flexible as top ups (additional premium) ALLOWED

DISADVANTAGE

- ✓ EXPENSIVE
- ✓ Investments/fund value depends on the fund performance
- ✓ Takes COMMITMENT to number of years to pay





Let's try to examine actual policy.....



TERM INSURANCE (Pure Protection)

Life Insurance Proposal

Proposal Information

On the Life of : Juan Dela Cruz

Age Last Birthday : 29 (Male)
Currency : Philippine Peso

Face Amount : Ps 1,000,000.00
(Guaranteed Death Benefit equals 200% of Face Amount)

Supplementary Benefits
None Availd

Payment Mode : Yearly

Class: Standard

Premium Schedule :

Dur	Basic Premium	Total Disability Benefit	Accidental Death Benefit	Total
1-5	10,900.00			10,900.00
6-10	10,960.00			10,960.00
11-15	12,000.00			12,000.00
16-20	16,260.00			16,260.00
21-25	20,840.00			20,840.00
26-30	29,280.00			29,280.00
31-35	42,810.00			42,810.00
36-40	48,340.00			48,340.00
41-45	61,560.00			61,560.00
46	78,740.00			78,740.00

- ✓ Pay Php 10,900 yearly
- ✓ If Juan dies, 2M will be given to the family
- ✓ If he lives, he needs to pay the premium yearly to keep him protected
- ✓ Every 5 years, premium increases
- ✓ Pure protection only
- ✓ No investment or savings thus no money will be given to Juan in the future unless he dies



WHOLE LIFE INSURANCE (Protection + Savings)

Life Insurance Proposal

Proposal Information

On the Life of : JUAN DELA CRUZ

Age Last Birthday : 30 (Male)

Currency : Philippine Peso

Basic Plan	Face Amount	Annual Premium
	Ps 500,000.00	Ps 15,830.00
(Guaranteed Death Benefit equals 200% of Face Amount)		
Supplementary Benefits		
Living Benefit Rider*		FREE
Class: Standard	Total Annual Premium or Quarterly Premium	Ps 15,830.00 Ps 4,353.25

- ✓ Pay Php 15,830 yearly
- ✓ If Juan dies, 1M will be given to the family
- ✓ Needs to pay the premium lifetime
- ✓ Protection plus savings component meaning, Juan will receive money in the future if he decides to surrender the policy
- ✓ There is a GUARANTEED CASH VALUE (plus dividend if any) meaning this is not dependent on market or fund performance



Paid

Php 15, 830
from Age 30-65

Total Payment:
Php 554, 050

Guaranteed Cash
Value at 65 y/o:
Php 449, 930

PLUS dividend
(3.60% or 3.10%
depending on the
company's revenue)
**if policy will be
surrendered**

Total Living
benefit
Php 562, 769

Summary of Benefits

End of Year	Att Age	Guaranteed Death Benefit	Guaranteed Cash Value	Scenario 1 Current Dividend Scale Accumulation Rate at 3.60%		
				Illustrative Accum. Dividend	Total Living Benefit	Total Death Benefit
1	31	1,000,000				1,000,000
3	33	1,000,000	13,120	14	13,134	1,000,014
5	35	1,000,000	27,280	168	27,448	1,000,168
10	40	1,000,000	71,480	2,426	73,906	1,002,426
15	45	1,000,000	135,540	9,218	144,758	1,009,218
20	50	1,000,000	207,640	22,442	230,082	1,022,442
33	63	1,000,000	415,410	95,345	510,755	1,095,345

25	55	1,000,000	282,585	43,139	325,724	1,043,139
30	60	1,000,000	363,970	72,636	436,606	1,072,636
35	65	1,000,000	449,930	112,839	562,769	1,112,839

End of Year	Att Age	Guaranteed Death Benefit	Guaranteed Cash Value	Scenario 2 Dividend Scale Accumulation Rate at 3.10%		
				Illustrative Accum. Dividend	Total Living Benefit	Total Death Benefit
1	31	1,000,000				1,000,000
3	33	1,000,000	13,120	6	13,126	1,000,006
5	35	1,000,000	27,280	75	27,355	1,000,075
10	40	1,000,000	71,480	1,069	72,549	1,001,069
15	45	1,000,000	135,540	4,031	139,571	1,004,031
20	50	1,000,000	207,640	9,735	217,375	1,009,735
36	66	1,000,000	467,280	51,412	518,692	1,051,412

25	55	1,000,000	282,585	18,541	301,126	1,018,541
30	60	1,000,000	363,970	30,911	394,881	1,030,911
35	65	1,000,000	449,930	47,520	497,450	1,047,520

VUL (VARIABLE UNIVERSAL LIFE) INSURANCE

Regular pay (Protection +Investment)

Variable Life Insurance Proposal

Proposal Information

On the life of : Juan Dela Cruz

Age Last Birthday : 30 (Male)

Currency : Philippine Peso

Basic Plan	Benefit Amount	Regular Premium
	Ps 500,000.00	Ps 27,000.00
Additional Benefits		

Class: Standard

Total Annual Regular Premium	Ps	27,000.00
Annual Excess Premium (to be Billed Regularly)	Ps	0.00
Total Annual Premium (to be Billed Regularly)	Ps	27,000.00
Total Quarterly Premium to be Billed	Ps	6,750.00
Excess Premium (One-time)	Ps	0.00

- ✓ Juan will pay Php 27, 000 yearly
- ✓ Limited pay only usually 5 or 10 years
- ✓ Fund value will depend on the market and or fund performance
- ✓ If Juan dies, 1M will be given to the family
- ✓ If Juan lives, any outstanding fund value will be given to him once policy is surrendered



Juan Dela Cruz

30 (Male)

Face Amount: Ps 500,000.00

Total Premium to be Billed: Ps 27,000.00

End of Year	Attained Age	Premiums Paid	Charges**	PROJECTED BENEFITS					
				Fund Value			Death Benefit		
				4%	8%	10%	4%	8%	10%
1	31	27,000	19,403	7,926	8,258	8,424	1,007,926	1,008,258	1,008,424
2	32	27,000	14,006	21,963	23,372	24,088	1,021,963	1,023,372	1,024,088
3	33	27,000	8,609	42,056	45,290	46,962	1,042,056	1,045,290	1,046,962
4	34	27,000	4,563	67,064	73,138	76,329	1,067,064	1,073,138	1,076,329
5	35	27,000	4,566	93,043	103,158	108,564	1,093,043	1,103,158	1,108,564
6	36	27,000	1,869	122,812	138,383	146,849	1,122,812	1,138,383	1,146,849
7	37	27,000	1,872	153,738	176,358	188,873	1,153,738	1,176,358	1,188,873
8	38	27,000	1,875	185,865	217,297	235,001	1,185,865	1,217,297	1,235,001
9	39	27,000	1,879	219,241	261,433	285,636	1,219,241	1,261,433	1,285,636
10	40	27,000	1,882	257,554	313,224	345,747	1,257,554	1,313,224	1,345,747
11	41		1,885	265,665	335,740	377,560	1,265,665	1,335,740	1,377,560
12	42		2,026	273,947	359,868	412,335	1,273,947	1,359,868	1,412,335
13	43		2,210	282,365	385,691	450,316	1,282,365	1,385,691	1,450,316
14	44		2,431	290,885	413,302	491,777	1,290,885	1,413,302	1,491,777
15	45		2,683	305,037	450,274	545,682	1,305,037	1,450,274	1,545,682
16	46		2,942	313,918	482,399	595,927	1,313,918	1,482,399	1,595,927
17	47		3,202	322,880	516,765	650,810	1,322,880	1,516,765	1,650,810
18	48		3,474	331,914	553,533	710,772	1,331,914	1,553,533	1,710,772
19	49		3,749	341,018	592,888	776,306	1,341,018	1,592,888	1,776,306
20	50		4,027	356,735	645,747	861,616	1,356,735	1,645,747	1,861,616
25	55		5,388	412,841	926,843	1,364,447	1,412,841	1,926,843	2,364,447
30	60		6,601	475,730	1,336,220	2,171,488	1,475,730	2,336,220	3,171,488
35	65		13,711	528,516	1,915,836	3,450,781	1,528,516	2,915,836	4,450,781

- ✓ At age 65, if the investment performs well, money is projected at Php 3,450 781 if earning at 10% annually
- ✓ Total investment and payment for 10 years is only Php 270, 000



Thank you!!!

