Insurance products issued by:
Minnesota Life Insurance Company

CASE STUDY

VUL Defender® delivers flexibility for life's ifs

Design a life insurance policy that keeps up with your clients

What happens if your client has an accumulation life insurance policy and things change down the road? Maybe they can't fund it as intended — or their financial goals change.

Using Variable Universal Life (VUL) Defender® as an accumulation vehicle with the No Lapse Guarantee Agreement can make a policy more flexible if your client's goals or finances change in the future.

Example

Meet Doug and Beth

Both Doug and Beth are 45 years old and in good health.

- They're looking to purchase a life insurance policy for the death benefit — and help supplement their retirement income as they get older.
- They currently have a budget of $12,000 annually — which can purchase a $250,001 face amount life insurance policy on Doug at a Preferred rating class.
- They add the Accelerated Death Benefit for Terminal Illness Agreement and No Lapse Guarantee Agreement to the policy.

Using the policy design choices illustration presentation, their financial professional shows them how their policy can flex with them.

Learn more

Contact Securian Financial's Life Sales Support Team to learn more today:

1-888-413-7860, option 1
(Independent brokerage)

1-877-696-6654
(Broker-dealer)

Three potential scenarios

	Scenario 1	Scenario 2	Scenario 3
	Everything goes as planned. Doug and Beth pay premiums to age 65 and begin taking distributions of $28,021 per year to supplement their retirement income to age 90 using loans and partial surrenders.	Doug and Beth experience a life change 5 years in and can no longer pay the premiums but want to keep the policy for the death benefit. **Potential solution:** Solve for the No Lapse Guarantee by switching the policy to protection focus in year 5 to keep their life insurance coverage in force with no further premiums.	Doug and Beth experience a life change 10 years in and can no longer pay the premiums but want to keep the policy for the death benefit. **Potential solution:** Solve for the No Lapse Guarantee by switching the policy to protection focus in year 10 and keep their life insurance coverage in force with no further premiums.

Age 45	**Scenario 1**	**Scenario 2**	**Scenario 3**
Face amount	$250,001	$250,001	$250,001
Premium	$12,000	$12,000	$12,000
Mode	Pay to 65	Pay for 5 years	Pay for 10 years
Age 54 (10-year summary)	**Scenario 1**	**Scenario 2**	**Scenario 3**
Surrender value	$147,744	$77,113	$147,744
Total payments less loans and partial surrenders	$120,000	$60,000	$120,000
Net gain (cost)	$27,744	$17,113	$27,744
Age 65 (21-year summary)	**Scenario 1**	**Scenario 2**	**Scenario 3**
Surrender value	$464,397	$160,489	$312,639
Total payments less loans and partial surrenders	$223,979	$60,000	$120,000
Net gain (cost)	$240,418	$100,489	$192,639
Age 100 (56-year summary)	**Scenario 1**	**Scenario 2**	**Scenario 3**
Surrender value	$53,806	$1,543,565	$3,061,900
Total payments less loans and partial surrenders	($419,820)	$60,000	$120,000
Net gain (cost)	$473,626	$1,483,565	$2,941,900
Death benefit	$53,806	$1,543,565	$3,061,900
Distributions	$28,021/year	$0	$0

These are hypothetical examples for illustrative purposes only.

Everyone needs a back-up plan

Using VUL Defender as an accumulation vehicle gives clients flexibility to switch gears as life changes without losing their policy. For those who're looking for accumulation, but also want to be prepared for the ifs in life, VUL Defender could be an ideal solution.

Illustration run with CVAT life insurance test. Scenario #1 Case ID: 22300895; Scenario #2 Case ID: 22301169; Scenario #3 Case ID: 22301262.

Have clients who fit this profile?

VUL Defender can help provide an accumulation benefit with a back-up plan to increase your sales and meet your clients' needs.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Variable life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods. There may also be underlying fund charges and expenses, and additional charges for riders that customize a policy to fit individual needs. Charges and expenses may increase over time. The variable investment options are subject to market risk, including loss of principal.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first fifteen years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

The Policy Design chosen may impact the tax status of the policy. If too much premium is paid, the policy could become a modified endowment contract (MEC). Distributions from a MEC may be taxable and if the taxpayer is under the age of 59½ may also be subject to an additional 10% penalty tax. Clients should consult a tax advisor regarding their tax situation.

The No Lapse Guarantee Agreement (NLGA) value has no impact on the policy's cash value and cannot be surrendered or loaned against. If there is no accumulation value and the NLGA value, less the sum of any policy loans and any unpaid policy loan interest, is insufficient to cover the charges against the NLGA value, a 61-day grace period begins. If the required amount to keep the product in force is not paid by the end of the grace period, this agreement and the policy will terminate.

Additional agreements may be available. Agreements may not be available in all states, may exist under different names in various states and may not be available in combination with other agreements.

This information should not be considered as tax or legal advice. Clients should consult their tax or legal advisor regarding their own tax or legal situation.

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