



CASE STUDY

Laddering term life insurance policies can be an excellent way to save your client money without sacrificing protection. It involves an understanding that the risk over time, financially, decreases. Laddering 2 term policies in this case allows for total protection of the mortgage.



THE ASSET

A \$1 million dollar home purchased in Arvada, CO on a traditional 30 year mortgage at 6% interest. As the mortgage is paid off over time, the financial risk to the client decreases.

THE CLIENT

Jason Arbuckle, a 37 year old environment scientist and his wife Susan, a stay-at-home mother of 2 children ages 10 and 6.

THE CONCERNS

If Jason passed away, how would Susan pay off the house in Arvada?

SOLUTION AT A GLANCE

If the Arbuckle's went with a straight 30 year term policy for 1 million dollars:

- 30 year for preferred non-tobacco in Colorado for \$1 million
- \$79.64/month
- \$905.00 / year

Total premium payments for all 30 years: \$27,150

If instead, the Arbuckle's bought 2 term policies for 20 and 30 years respectively:

- 20 year term for \$ 700k
- \$485.00 / year
- \$42.68 / month

Total premium payments for all 20 years: \$9,700

- 30 year for \$300k
- \$395.00 / year
- \$34.76 / month

Total premium payments for all 30 years: \$11,850

TOTAL PREMIUM LADDERED: \$21,550

TOTAL SAVINGS: \$5,600



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