



**rethink.**

## Sometimes it pays to be indecisive

**Term insurance is an ideal product for a Client who wants to cover a temporary insurance need. It can help protect against the risk of lost future earnings due to premature death. When a Client decides on the length of their term policy, they're forecasting how long their need for insurance will last. They may also be forecasting when it makes the most sense to convert their policy to permanent insurance.**

But do Clients know exactly how long their need for term insurance will be? If they purchase too short of a term policy, it can be expensive in the long run due to the steep renewal premiums. On the other hand, if they purchase a longer-term policy than needed, they could see higher premiums in the earlier years.

### **Hedging your T10 with the Renewal protection benefit (RPB)**

The optional RPB benefit on Sun Life's T10 allows the owner to continue coverage beyond the initial term with a smaller jump in renewal rates. For an incremental fee, term policy owners can hedge the risk of steeply increasing premiums should they need to extend their term policy beyond the initial ten years. This is ideal for a Client who isn't ready to make the commitment to convert to a permanent policy, but continues to have an insurance need.

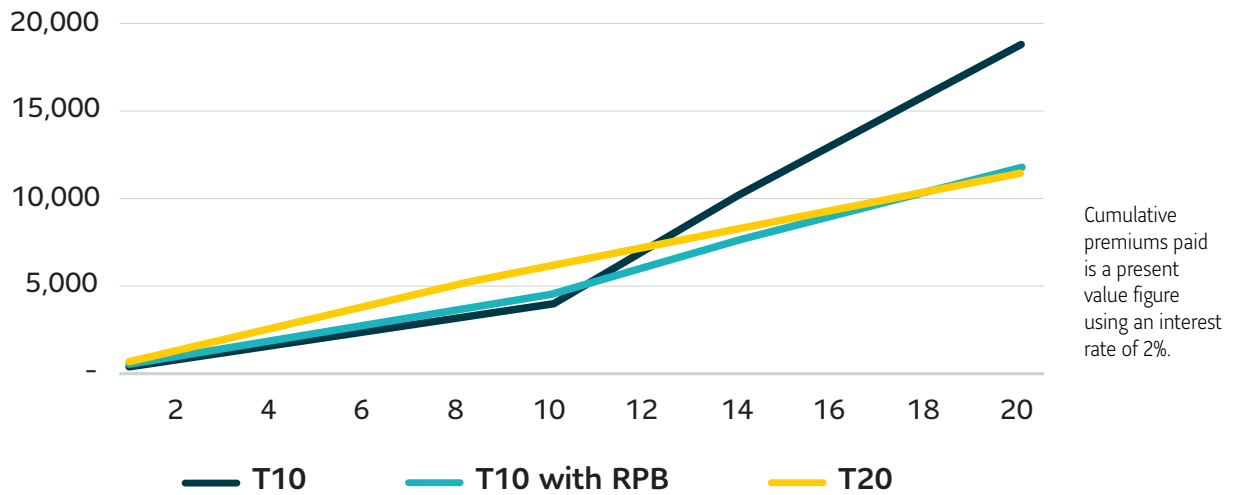
### **When the affordable option is also the better solution**

At younger ages, purchasing a T10 with RPB can be the most cost effective and flexible option. Consider three term policy options, each held for up to 20 years: a T10, a T10 with RPB, and a T20. During the first ten years, the T10 with RPB premium is only marginally greater than the regular T10 without RPB. During the next ten years, the T10 with RPB is much more affordable. The cumulative premiums of the T10 with RPB are even lower than the cumulative premiums of the T20 for a considerable portion of the second 10-year period.

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### Cumulative premiums paid



This graph displays the cumulative premiums for each of the three options for a non-smoking male, aged 30. If the Client renews the \$1M T10 with RPB policy for an additional ten years (held for 20 years in total), the cumulative premium amount is only 4% greater than the T20 alternative. And the cumulative annual premiums are actually lower than the T20 alternative for every year up to year 17.

**The RBP optional benefit gives Clients greater flexibility – they can be indecisive but still save money.**



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