

Letting clients take credit



We at RL360° are always looking for ways to provide the best of service for the lowest cost to the client, and believe we have found a way to further reduce some of the costs of a LifePlan policy.

Typically, credit card companies charge an additional 1.5% based on the payment size for each premium the client makes. Life companies generally pass this fee onto policyholders as a second charge on their credit card statement. We no longer pass on this charge.

What this means is that in the case of a client with a USD500,000 sum assured paying USD412 a month it reduces their costs by USD74 a year.

Although this doesn't seem like much, because a LifePlan is a whole of life policy, this could mean a saving for the client of up to USD4,736 over the life of their policy¹.

If the client were to pay this extra amount into the policy from outset it could grow and increase the fund value by USD59,000². The effect of this extra contribution can be seen in the graph below. The client could also choose to increase the size of their sum assured. In this instance the client could increase their sum assured by USD8,000 without increasing their monthly premium.

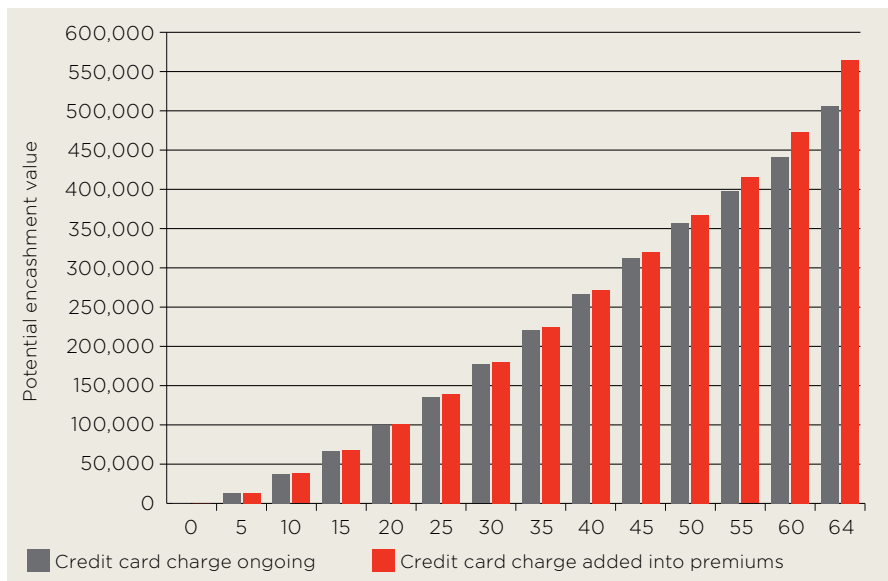
Whether your clients contribute the extra money to the policy or not, it means they are getting more out of their policy for less.

A potential saving of (USD)

4,736

Potential extra fund value of (USD)

59,000



¹ Based on a client aged 31 next birthday paying monthly USD412 premiums until age 95.

² Additional contribution of USD74 per annum at 3% fund growth over the 64 year lifetime of the policy for a male non-smoker aged 31 at next birthday. The total additional contribution totals USD4,736.

Important notes

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.