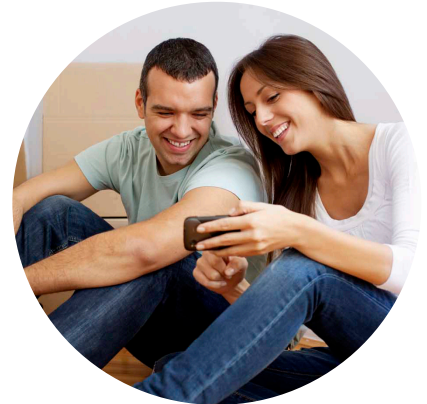


# HMS<sup>®</sup> Plus 125 CBO

## The CBO Mortgage Payoff

### Scenario

John and Chelsea are young, married professionals with a \$150,000, 30-year fixed mortgage. They feel comfortable with their current mortgage payment, but could not afford it if either of their incomes were no longer available.



### HMS Plus 125 CBO Solution

To help provide protection for their home and enough money to cover each other's final expenses, John purchases a \$175,000 HMS Plus 125 CBO policy at a rate of \$93.40 a month, and Chelsea purchases a \$175,000 HMS Plus 125 CBO policy at a rate of \$90.63 a month. For a total of \$184.03 a month, John and Chelsea each have \$175,000 of coverage for 25 years.

(Based on a 31 year-old male, non-nicotine and a 30 year-old female, non-nicotine.)

### Outcome

At the end of 25 years,<sup>1</sup> each surrenders the policy to utilize the Cash Back Option.<sup>2</sup> John receives a lump sum of \$28,020 and Chelsea a lump sum of \$27,189. Together they can use this \$55,209 any way they choose.

They still have \$42,670 left on the principal balance of their mortgage,<sup>3</sup> so they use that amount to pay off their mortgage five years early. This saves them approximately \$5,644 in interest payments, and they still have over \$12,500 to spend as they wish.

John and Chelsea needed life insurance to help protect their mortgage and their lifestyle. They ended up getting even more.

### By the numbers

**\$55,209** in cash back options available after 25 years

**\$42,670** principal balance remaining after 25 years

Save **\$5,644** in interest payments and have **\$12,539**

<sup>1</sup>Assuming the policy and rider stay in force and monthly premiums are paid. <sup>2</sup>HMS Plus 125 CBO: This policy builds cash value which the client may receive upon request, less any loans, if the policy is fully surrendered. At the end of the no-lapse guarantee period, the accumulation value of the policy will be at least as large as the total amount of premiums paid for the base policy, not including any premiums paid for riders. <sup>3</sup>Assuming a 5% interest rate on the 30-year fixed mortgage and no prepayments.

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