

## Marcus Rivera — Life Insurance Policy X-Ray

YOU	Marcus Rivera, age 55
YOUR POLICY	Protective Life 20-year term, issued June 2008
YOU PAY	\$785/year (\$65.42/month)
DEATH BENEFIT	\$750,000
TERM EXPIRES	June 2028 (2 years from now)

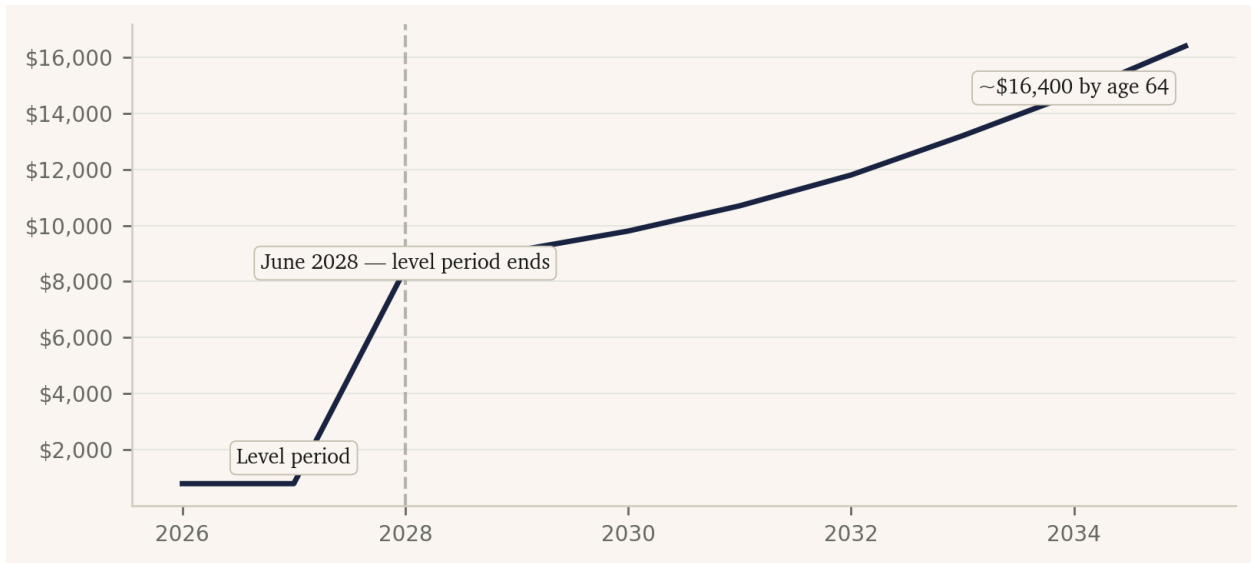
### Questions this X-Ray answers

- ◆ What happens when your policy expires in 2028?
- ◆ Do you still need life insurance after that?
- ◆ What are your options before the deadline?
- ◆ Which option fits your situation?

### The reading

Your policy has two years left. In June 2028, the guaranteed price ends and your cost jumps from \$785 a year to roughly \$8,450 — more than ten times what you pay now — and it rises every year after that. That isn't a flaw; it's the normal mechanic of a 20-year term policy reaching the end of its guarantee period. The real question is whether you still need \$750,000 of coverage after 2028, and if so, which of the options below fits.

FIGURE 1 What your premium does at the end of the level-term period



## 1 What you have and what's about to happen

You have a 20-year term policy from Protective Life. That means Protective guaranteed you \$750,000 of insurance at a fixed price of \$785 per year for 20 years. That guarantee runs out in June 2028 — two years from now.

After June 2028, two things happen:

**The price jumps.** Your cost goes from \$785 per year to approximately \$8,450 per year — more than 10 times what you pay now. It goes up again every year after that.

YEAR	YOUR AGE	ESTIMATED ANNUAL COST
Now (2026)	55	\$785
2028 (after expiration)	57	\$8,450
2030	59	\$9,800
2033	62	\$13,200
2035	64	\$16,400

**Your right to switch disappears.** Right now, you can convert this policy into permanent insurance — the kind that lasts your whole life — without a medical exam. This right expires in June 2028. After that, if you want permanent insurance, you’d have to apply from scratch and pass a medical exam. With high blood pressure and sleep apnea, that could mean higher prices or being turned down.

You have two years. After June 2028, the price jumps to \$8,450/year and your right to switch to permanent insurance without a medical exam goes away.

## 2 How long you still need insurance

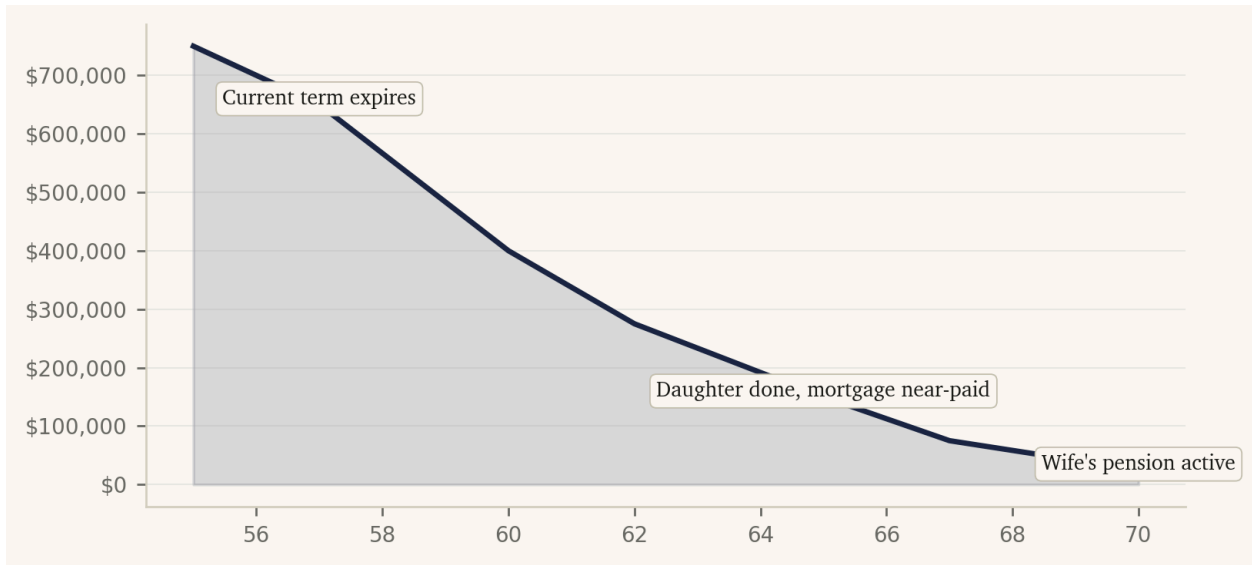
You told us: if you died tomorrow, your wife couldn’t cover the mortgage and your daughter’s college on \$52,000 a year.

TABLE 1 *What your family would need if you died today*

	AMOUNT
Remaining mortgage	\$220,000
Daughter’s college (estimated)	\$100,000–\$150,000
Income gap for your wife (10 years)	\$660,000
<b>Total need</b>	<b>\$980,000–\$1,030,000</b>

But you don’t need insurance forever. The mortgage gets paid down, your daughter graduates, your wife’s pension starts, and your retirement savings grow. Here’s how your family’s insurance need shrinks over the next 15 years:

FIGURE 2 *How much life insurance you actually need, by age*



You need significant insurance for the next 10 years. After that, the need drops sharply.

### 3 Option A — Buy a new 10-year term

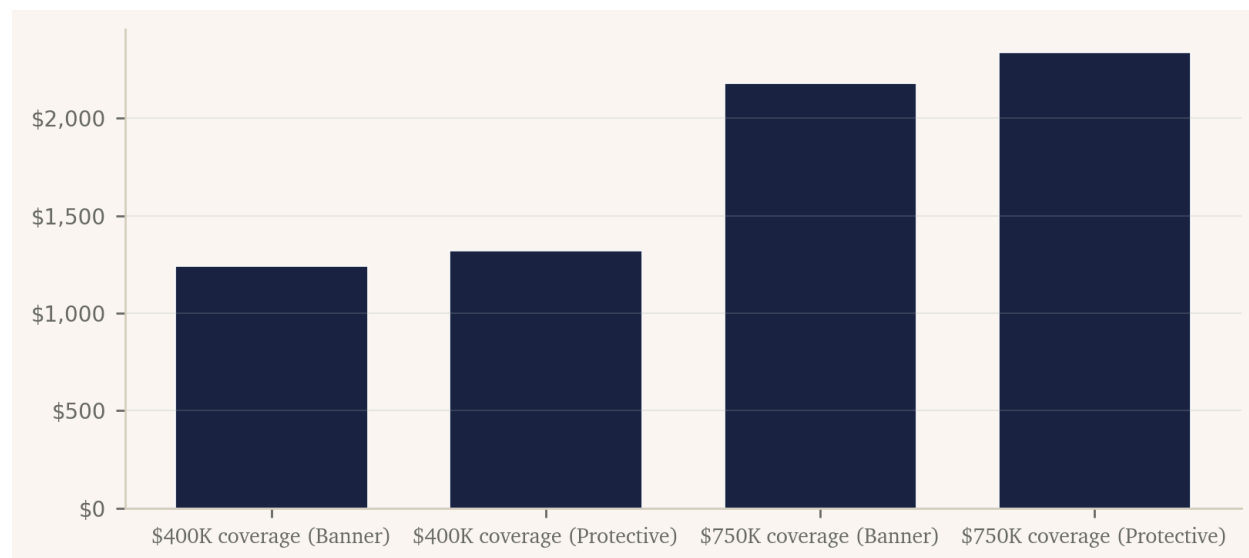
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#### The basics

Apply for a new 10-year term policy before your current one expires. You'd be covered until age 65 — right when the need starts to disappear.

You'd need a medical exam. With high blood pressure and sleep apnea, you'd likely qualify at “standard” rates — higher than the “preferred” rates you got at 37.

FIGURE 3 Option A — annual cost for a new 10-year term at age 55



\$400,000 may be enough. By age 65, your mortgage will be much smaller, your daughter will be done with college, and your wife's pension will be active. The \$400K is there for the transition years. Simple, affordable, no permanent commitment.

The trade-off: coverage ends at 65. If you still need insurance after that, you'd have to buy more at age 65 prices (very expensive) or have no coverage. The medical exam is also a risk — if your health has worsened more than expected, you could be rated higher or declined.

The cheapest way to cover the next 10 years. \$400,000 of coverage for about \$108/month — if you can pass the medical exam.

### **When this fits**

Your insurance need is temporary (mortgage + college + income gap), you're comfortable that by 65 you won't need coverage, and you're healthy enough to pass a medical exam at standard rates.

It stops making sense if your health has deteriorated beyond what's described here — you might not qualify. In that case, conversion (Option B) is more valuable because it doesn't require a medical exam. If you want permanent coverage that outlasts age 65, this doesn't provide it.

### **How to do it**

Contact an independent insurance broker (or GetSure can help). Apply at least 3 months before June 2028 to allow time for the medical exam and underwriting. Get quotes for both \$750,000 and \$400,000 to compare.

## 4 Option B — Convert to permanent insurance (no medical exam required)

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### The basics

Use your conversion right to switch some or all of the \$750,000 to permanent insurance — the kind that never expires. No medical exam required. This is valuable because with your health conditions, permanent insurance through a new application would cost more or might not be available.

You don't have to convert the full \$750,000. You could convert a smaller amount and let the rest expire.

FIGURE 4 *Option B — conversion choices (no medical exam)*

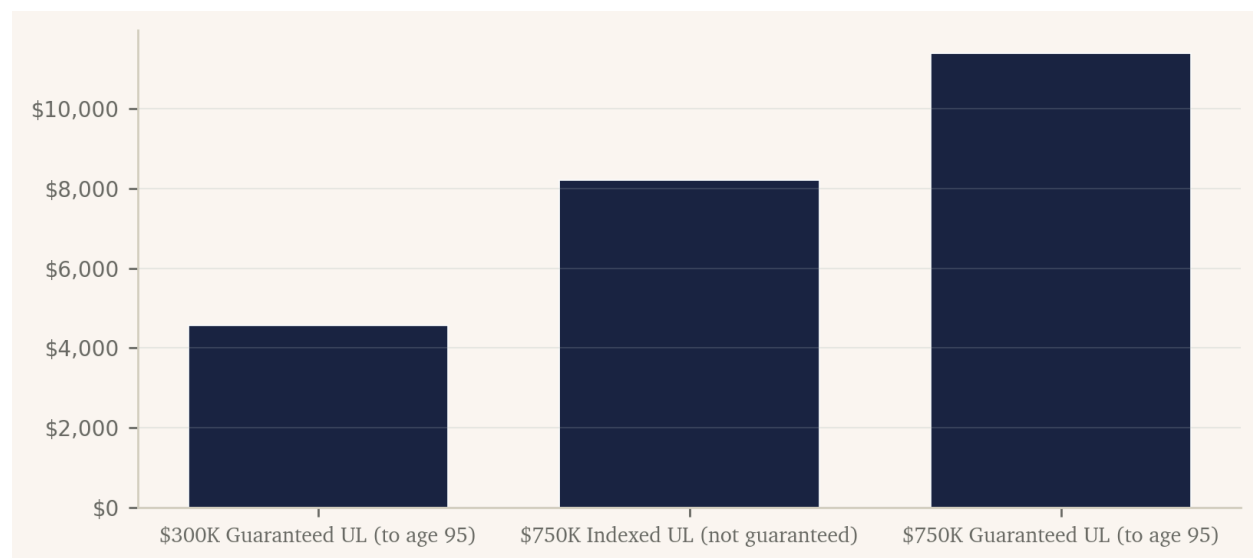


TABLE 2 Conversion options from Protective (no medical exam)

TYPE	COVERAGE	ANNUAL COST	HOW LONG IT LASTS
Guaranteed UL	\$750,000	\$11,400	To age 95 (guaranteed)
Indexed UL	\$750,000	\$8,200	Depends on market — not guaranteed
Guaranteed UL (reduced)	\$300,000	\$4,560	To age 95 (guaranteed)

The \$300,000 guaranteed option at \$4,560/year is the most practical — it covers your wife’s long-term security after the mortgage and college years. Permanent, no medical exam, can’t be taken away.

No medical exam required. This is your one chance to lock in permanent coverage regardless of your health — and it expires June 2028.

The trade-off: this is expensive. Even the reduced option at \$4,560/year is nearly 6 times what you pay now. The full \$750,000 at \$11,400/year is probably out of reach for most budgets.

### When this fits

You want permanent coverage and your health conditions make a medical exam risky. The conversion right is a one-time opportunity that expires June 2028. Even if you mainly want a new term (Option A), converting a small amount as a permanent base is worth considering.

It stops making sense if your health improves enough to qualify for preferred rates on new coverage — you might get a better deal shopping the open market. If the annual cost doesn’t fit your retirement budget, don’t stretch.

## How to do it

Call Protective Life at 1-800-866-3555. Tell them you want to exercise your conversion privilege on your Classic Choice term policy. Ask for illustrations on \$150,000 and \$300,000 of guaranteed UL. No medical exam required. Must be done before June 2028.

# 5 Option C — Do nothing and pay the higher rates after 2028

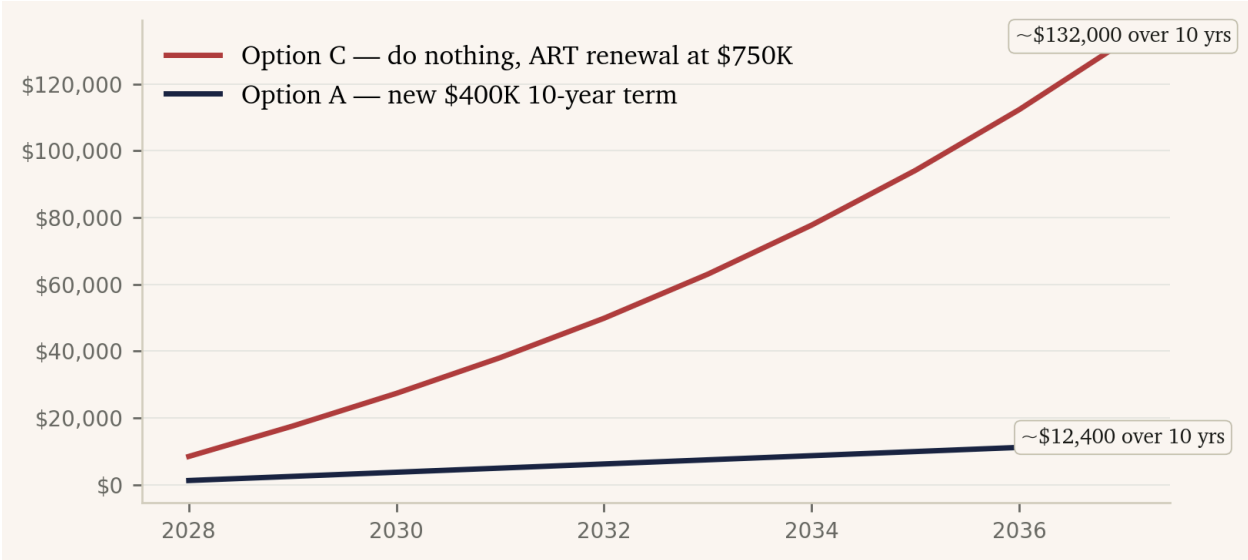
## The basics

Let the term expire and keep the policy at the new, much higher rates. The insurance stays at \$750,000 and you don't have to do anything. It just continues.

The cost: \$8,450 in the first year after expiration. Rises every year — over \$13,000/year by age 62. Over 10 years, roughly \$110,000 total.

The trade-off: you'd spend roughly \$110,000 over 10 years for coverage you could replace for about \$12,500 with a new \$400K term. Plus you lose your conversion right in June 2028 — after that you can no longer switch to permanent insurance without a medical exam.

FIGURE 5 Option C vs. Option A — cumulative cost over 10 years after 2028



Doing nothing costs roughly \$132,000 over 10 years. A new \$400K term costs about \$12,400. That's more than 10x the price for coverage you may not need at full \$750K anymore.

### **When this fits**

Almost never. The only scenario: you can't qualify for new coverage at any price (severely impaired health) and you need \$750,000 specifically. Even then, converting a portion before June 2028 is probably cheaper than paying ART renewal rates indefinitely.

### **How to do it**

Nothing. The policy automatically renews at the higher rate. But understand that you'll be paying \$8,450 in the first year and more every year after that — and you'll lose the conversion right.

## 6 Option D — Let the insurance expire

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### The basics

Stop paying after June 2028. The insurance ends. No cost going forward. You save \$785/year immediately and avoid the \$8,450+ that would follow.

The trade-off: your family has no safety net. Your wife would need to cover the mortgage, college, and living expenses on \$52,000 plus savings. With your daughter starting college in 2027 and \$220,000 remaining on the mortgage, this is risky for at least the next 5-7 years.

This makes sense at 65 when the mortgage and college are behind you. It does not make sense at 57 with both still ahead.

### When this fits

At age 65+ — when the mortgage is nearly paid, your daughter is done with college, your wife's pension is active, and your combined savings are sufficient. At that point, life insurance becomes a nice-to-have, not a necessity.

Right now, at age 57, with a mortgage, a college-bound daughter, and a wife who depends on your income, dropping all coverage is a significant gamble.

### How to do it

Stop paying after June 2028. The insurance ends automatically. We do not recommend this while your mortgage is outstanding and your daughter is in college.

## 7 Which option fits you?

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IF THIS DESCRIBES YOU...	CONSIDER...
You're healthy enough for a medical exam and want affordable coverage to age 65	Option A — new 10-year term (\$1,240-\$2,340/year)
You want permanent coverage and worry about passing a medical exam	Option B — convert before June 2028 (\$4,560/year for \$300K)
You want both: affordable term coverage NOW plus a permanent base	Option A + B combined — new term for \$400K + convert \$150K
You'll be 65+ before you need to act and your family is already financially secure	Option D — let it expire when the time is right

The combination of Options A and B — a new 10-year term for \$400,000 plus converting \$150,000 to permanent insurance — covers both the near-term need and the long-term base. Estimated total cost: roughly \$3,500–\$3,600/year, well under the \$8,450 you'd pay by doing nothing.

The conversion deadline is June 2028. You do not need to act tomorrow, but you should act well before that date. A new term policy takes 4-8 weeks to underwrite, and you want it in place before the old one expires.

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*Hi Marcus — I hope this review gave you a clearer picture of where things stand and what your real options are. These decisions are personal, and there's no single right answer — just the one that fits your situation. If anything in here raised questions, or if you'd like to talk through the trade-offs, I'm always happy to get on a call. You can reach me at [rikin@getsure.org](mailto:rikin@getsure.org) or (925) 391-8282.*

*Warm regards,*

*Rikin Shah*

Co-Founder, GetSure Insurance Agency