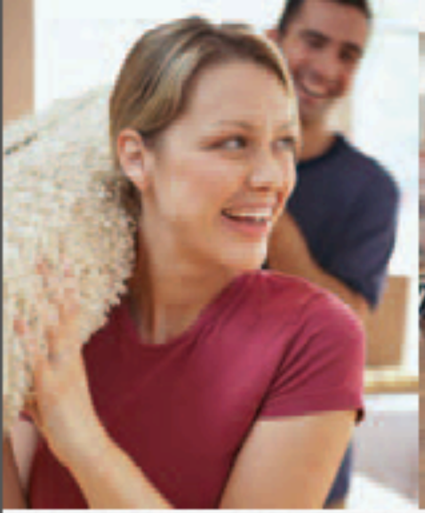
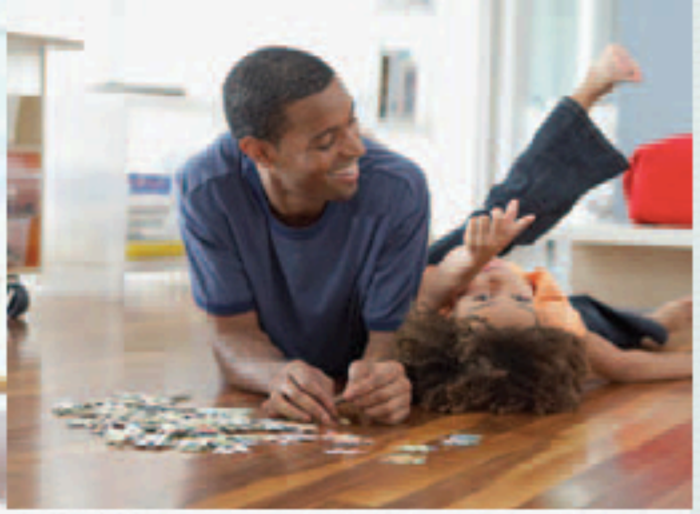




An Investment Worth Protecting

If you're like most people, your house is the largest purchase you have ever made – and it's an investment that is worth protecting. Life insurance can allow your family to stay in your current home if you should die unexpectedly. With cash value life insurance, you also have an opportunity to use the cash accumulation to help pay your mortgage off early. Here's how it works:

Using Term Life Insurance

- Purchase a term life insurance policy with a term (10, 15, 20 or 30 years) and amount similar to your current mortgage
- If you die prematurely, your beneficiary can use the death benefit to pay off the mortgage
- The difference between the death benefit amount and the amount applied to the mortgage can be used for other expenses

Using Cash Value Life Insurance

- Purchase a cash value life insurance policy and determine a proper funding amount to meet your goals
- Your policy can accumulate a cash value. Once the cash value equals the amount of your mortgage, you can use the funds to prepay your mortgage. Prepaying can significantly reduce the amount of mortgage interest paid over time
- If you die prior to paying off your mortgage, your beneficiary can use the death benefit to pay the mortgage off. Like term insurance, the beneficiary of a cash value life insurance policy can use the difference between the death benefit and the amount applied to the mortgage for other expenses

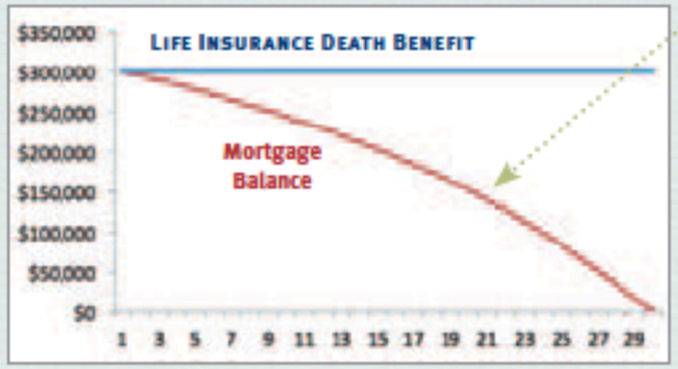
Using Life Insurance to Pay Off a Mortgage*

Jeff and his wife Cindy took out a $300,000, 30-year loan to purchase their new home. If something happened to Jeff, Cindy's income would not be enough for her to continue living in their current home. They are considering two options to protect their home using life insurance. Both options can help pay off the mortgage if Jeff died unexpectedly. Jeff and Cindy must consider which strategy will work best to accomplish the goals they have set for their family.

Option 1: Using Term Life Insurance

Goal: To allow the family to remain in their current home upon Jeff's death

Strategy: Jeff purchases a 30-year term policy with a death benefit of $300,000. His annual premium is $551.50.



If Jeff died unexpectedly, Cindy could use the death benefit to pay off the outstanding mortgage.

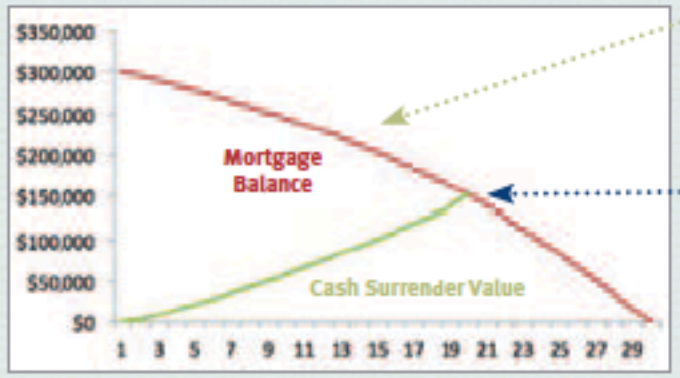
Cindy can use the difference between the mortgage balance and the death benefit for other expenses.

Option 2: Using Cash Value Life Insurance**

Goals: To allow the family to remain in their current home upon Jeff's death

To pay their mortgage off as soon as possible and reduce the amount of interest paid

Strategy: Jeff purchases a $300,000 policy with death benefit that increases over time. He chooses to fund his policy with an annual premium of $6,600.



If Jeff died unexpectedly, Cindy could use the death benefit to pay off the outstanding mortgage.

In year 20, based on how Jeff funded his policy, his cash value equals his outstanding mortgage balance. Jeff has the option to use the funds to pay his mortgage off early.

*The two options shown are fictitious in nature and only represent situations a consumer may face.
**Based on a 3.05 percent interest rate.

The Benefits of Proper Planning

A Way to Provide for Your Family

With proper protection in place, if you died unexpectedly, your family can remain in their current home surrounded by the support of family and friends.

Full Death Benefit Protection From Day One

You could choose to forgo life insurance and instead use the premium amount to help pay off your mortgage sooner. While this helps reduce the mortgage interest, this strategy leaves your family and your home at risk prior to the mortgage pay off date. Life insurance can provide protection starting on the first day your policy is in force.

Options to Meet Your Budget

You can select a lower-cost term policy which provides coverage for a specific amount of time, however, it will not offer the flexibility planning opportunities available with a cash value policy.

Access to Your Money

When properly funding a cash value policy, the cash will accumulate at a tax-deferred interest rate. You have the option to use this cash value to pay your mortgage off early. You also have the flexibility to use the cash value for any other purpose you choose.

Consider your financial goals to determine which mortgage protection strategy works best for your family. Your proper planning today will help ensure that your family can live comfortably – regardless of what the future holds.

Stephen Cantini
409-939-8160
stephen.cantini@mutualofomaha.com