



**YOUR GUIDE TO TRANSAMERICA'S**  
INCOME PROTECTION OPTION





# Income Protection Option

A flexible and secure life insurance planning benefit

If you were to unexpectedly pass away, what would your family do? Would they have enough to cover monthly expenses, be able to stay in their home, or continue their education? Or would they spend sleepless nights worrying about how to replace your paycheck?

The good news is there's a way to ensure life insurance benefits are available to help fulfill your family's plans. The Income Protection Option (IPO) does just that. It allows you to structure your life insurance death benefit to help safeguard your family's future.

IT'S SECURE INCOME FOR  
THOSE YOU LEAVE BEHIND

COVER PHOTO: TWENTY20.COM/WASTERONE

# Peace of mind for your family's future

Help ensure they can continue to live as though you are still taking care of them.

Many people who receive a large sum of money may spend most—if not all—their funds within a few short years. You might worry about whether a loved one is prepared to handle the money you leave behind or whether they'll exhaust or misuse a lump-sum death benefit.

Losing a loved one is hard enough; the IPO can eliminate some stress by providing your family with pre-planned income that can help make their lives more manageable after you've passed.

## How the IPO Works

The IPO lets you structure your death benefit by controlling the payment amounts, who receives them, and for how long. Should you pass too soon, it can help replace a monthly paycheck for your family.

### **FLEXIBILITY**

For the payout, choose an initial lump, a guaranteed monthly income stream for up to 25 years, a final lump sum, or a combination of the three.\*

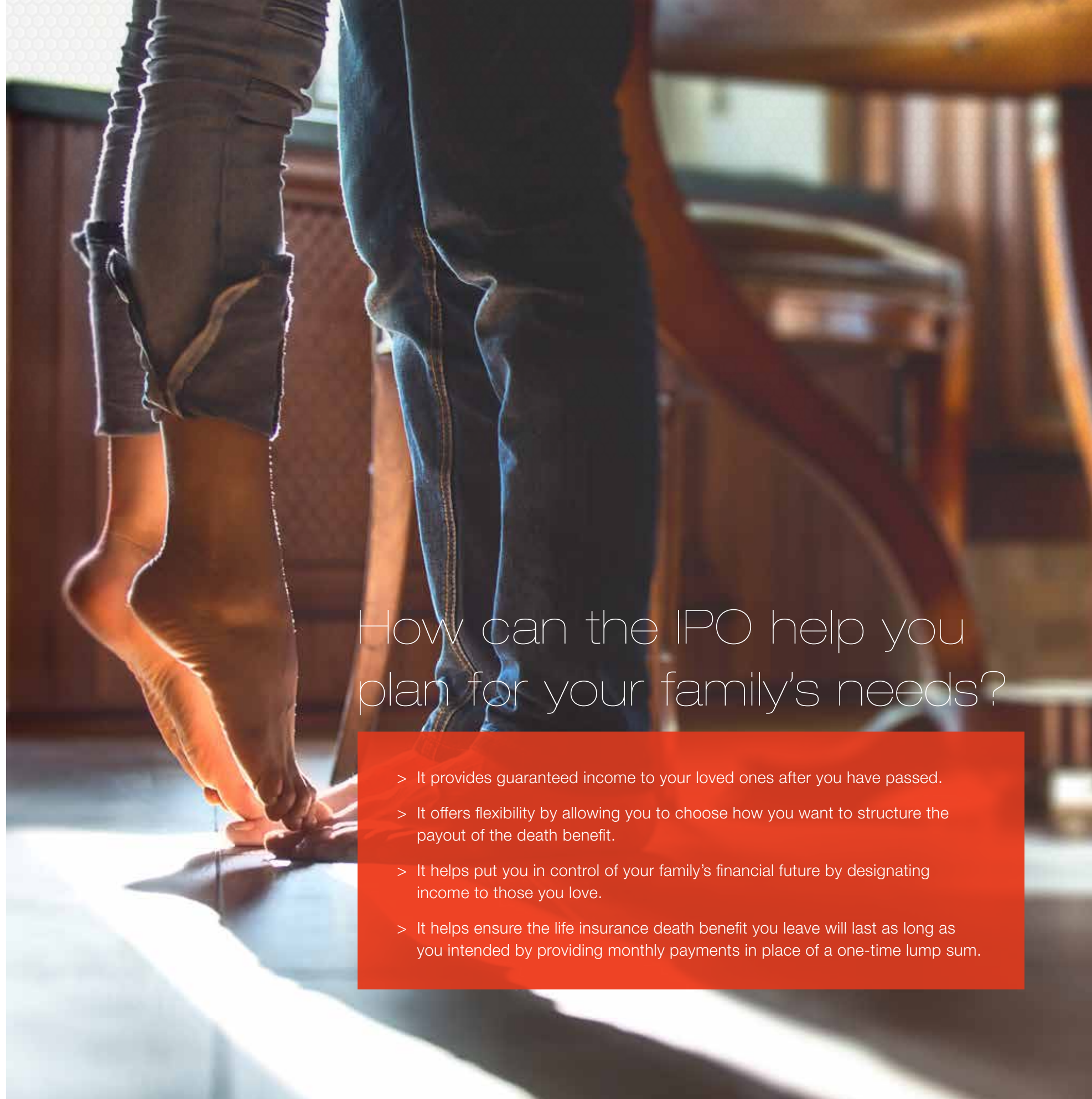
The initial lump sum could be used to cover funeral expenses, help pay off your house, or other debts. The monthly option can be a great way to ensure the money you leave will last as long as you intended, perhaps to cover monthly expenses, children's educations, or unplanned medical bills. A final lump sum could help set up a comfortable retirement for your spouse or be placed in a fund for your children's weddings.

### **CONTROL**

The benefit payments will be sent to those you choose, to carry out the plan you created for them. Once the IPO has been established, your beneficiaries won't be able to change the timing or payment amounts. They'll be free to live their lives while Transamerica distributes the income stream.

It's up to you—what's most important to you and your family?

\*Any guarantees associated with the Income Protection Option endorsement are based on the claims paying ability of the insurance company.



## How can the IPO help you plan for your family's needs?

- > It provides guaranteed income to your loved ones after you have passed.
- > It offers flexibility by allowing you to choose how you want to structure the payout of the death benefit.
- > It helps put you in control of your family's financial future by designating income to those you love.
- > It helps ensure the life insurance death benefit you leave will last as long as you intended by providing monthly payments in place of a one-time lump sum.



## Pay less with the IPO

Because the IPO is paid out over time and accumulates interest, you can select a lower face amount and still receive the same total payout amount. Therefore, with the IPO, you'll pay less for the same amount of benefit, providing your family with the income they will need. See cost-savings below:

If you need \$1,040,000 in benefits:

Without IPO      \$210.08 Monthly

With IPO      \$184.00 Monthly

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**Total Savings      \$26.08 Monthly**

Based on a Trendsetter® Super 30-Year Policy on a 40 year-old male, Standard Non-Tobacco, Underwritten for \$847,183 Face Value as of 7/18/16. The results of the examples shown above may vary by jurisdiction.





# See the IPO in action

## MEET JON AND MICHELLE

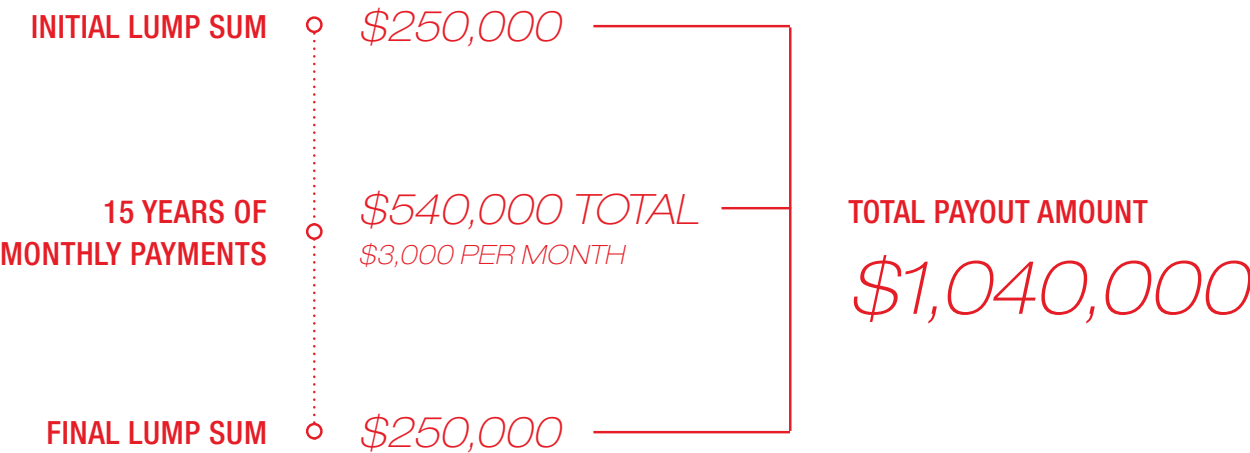
As the sole income earner, Jon purchased a life insurance policy and selected the IPO to help ensure his wife, Michelle, and their children would be protected if something were to happen to him. The couple decided they needed at least \$1 million in coverage to help replace his income and discussed how to best distribute the death benefit for the family. A few years later, Jon passed away unexpectedly.

Thankfully, Jon had structured his policy's death benefit using the IPO, so while Michelle was mourning his loss, she took comfort knowing she would have an income stream to help take care of her family.

Michelle immediately received \$250,000 to cover final expenses and help pay off the family home. For the next fifteen years, she'll receive \$3,000 a month, which will help while the children are in school. Additionally, Jon left a \$250,000 final lump sum at the end of the 15 years, to help Michelle plan for retirement and help pay for their children's college expenses.

The IPO helped Jon pay less for the same total payout amount, providing his family members with the income they needed.

Here's how it worked:



A total face amount of \$847,183 in coverage provided more than \$1 million in total benefits to Jon's family.

The example is based on a hypothetical scenario to show how the Income Protection Option settlement option may work. It is calculated using the guaranteed interest rate of 3%. The payments are based on a death benefit equal to the Total Face Amount, which is the total Face Amount of the Base Policy plus the Face Amount of any base insured rider (or primary insured rider). The total Face Amount may be adjusted due to policy changes. If this occurs the payments will be adjusted. This example is not a prediction or projection of future results or policy performance. All coverage is subject to the terms and conditions of the policy. You may wish to obtain a personalized illustration which reflects how an Income Protection Option settlement might work for you.

# How much will your loved ones need?

You provide your family with love, advice, and everything they need. But, have you ever thought about how much they would need to pay the bills and replace your income if you're not around?

Fill out this worksheet to better understand how your life insurance death benefit could be structured to help your family using the IPO.

This material was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact a financial professional.

## OPTIONAL INITIAL LUMP SUM

### HOW MUCH WOULD THEY NEED RIGHT AWAY?

Final expenses \$ \_\_\_\_\_  
 Pay off house \$ \_\_\_\_\_  
 Pay off car \$ \_\_\_\_\_  
 Other debts \$ \_\_\_\_\_



### INITIAL LUMP SUM TOTAL

\$ \_\_\_\_\_



## MONTHLY INCOME

### WILL THEY NEED ONGOING SUPPORT?

What will they need for child care, groceries, utilities, medical expenses and other regular expenses?

\$ \_\_\_\_\_ per month for \_\_\_\_\_ years



### MONTHLY INCOME TOTAL

\$ \_\_\_\_\_



## OPTIONAL FINAL LUMP SUM

### WHAT MAJOR EXPENSES WILL THEY FACE IN THE FUTURE?

What will they need for college education, retirement or other major expenses?

\$ \_\_\_\_\_ Final payout



### FINAL LUMP SUM TOTAL

\$ \_\_\_\_\_



### WHAT IS YOUR TOTAL NEED?

\$ \_\_\_\_\_

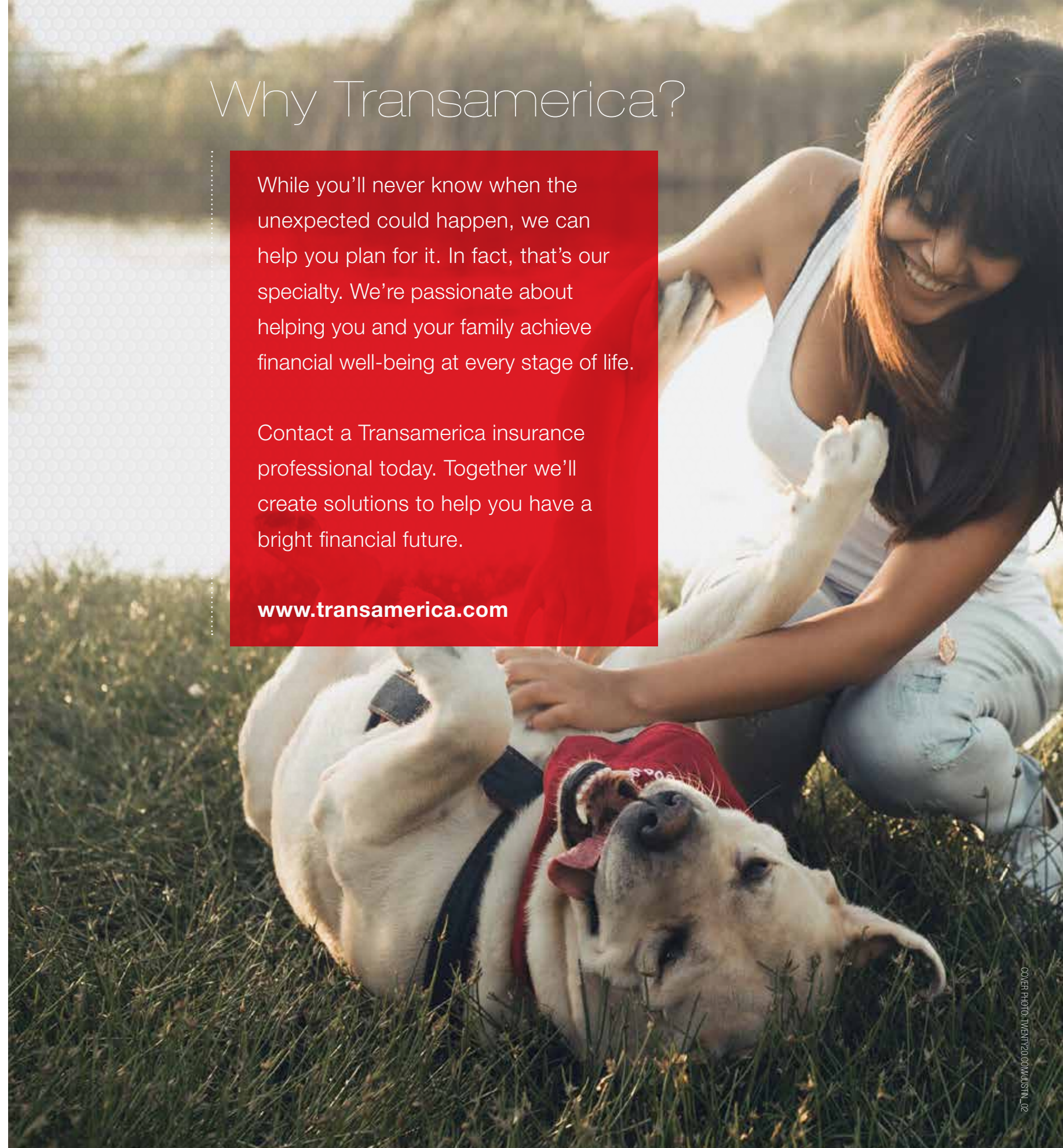
This worksheet is a tool to assist you in estimating your basic life insurance needs. It is not intended to provide a thorough and comprehensive analysis of your life insurance needs or to recommend a specific amount or type of coverage. The actual amount of life insurance you need will depend on several factors which you need to consider carefully. Your insurance agent can assist you with an analysis of your personal circumstances.

# Why Transamerica?

While you'll never know when the unexpected could happen, we can help you plan for it. In fact, that's our specialty. We're passionate about helping you and your family achieve financial well-being at every stage of life.

Contact a Transamerica insurance professional today. Together we'll create solutions to help you have a bright financial future.

[www.transamerica.com](http://www.transamerica.com)



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A portion of each monthly payment under the Income Protection Option settlement, if any, will be reported as taxable income to the Beneficiary, based on our understanding of current federal income tax law. The amount of the actual monthly payments and the taxable percentage of each will be determined using the interest rates applicable as of the date of death for an annuity certain for the period of time specified by the policy owner, but no less than 3%.

The portion of the Total Face Amount designated to fund the final lump sum will accrue interest at the current interest rate applicable for benefits deposited with interest, but no less than 3% per year. The current interest rate used for such accrual may change from time to time but interest will never accrue at less than the 3% guaranteed interest rate. When the final lump sum is paid, we will report the amount of interest earned since the insured's date of death as taxable income to the Beneficiary.

Transamerica Life Insurance Company and its agents and representatives do not give tax or legal advice. This material and the concepts presented here are for informational purposes only and should not be construed as tax or legal advice. Any tax and/or legal advice you may require or rely on regarding this material should be based on your particular circumstances and should be obtained from an independent professional advisor.

The Income Protection Option endorsement should be evaluated as a supplement to your base policy. This endorsement should not be the sole basis to purchase any life insurance policy.

Insurance Products offered by Transamerica Life Insurance Company, Cedar Rapids, IA 52499.

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