

The Consumer Federation of America (CFA) offers a Life Insurance Rate of Return (ROR) service that estimates the "true" investment returns on cash value life insurance policies, including whole life, universal life (fixed or indexed), and variable universal life. Utilizing the Linton Yield Method, the service compares the cash value policy to the alternative of purchasing lower premium term life insurance and investing the premium savings in a hypothetical investment, such as a bank account or mutual fund. Clients receive a computer printout detailing average annual RORs for policy holding periods of 5, 10, 15, and 20 years, with specific comparisons for indexed and variable universal life policies against hypothetical earnings assumptions. Additionally, a four-page explanation is provided, offering insights relevant to purchasing or owning cash value life insurance.

The ROR analysis serves as a tool for consumers to compare cash value policies, term life insurance, and other investments, helping them make informed decisions about whether to buy a cash value policy, choose between multiple policies, reduce sales costs, evaluate the worth of an existing policy, and explore options with their current policies. The service is operated by James H. Hunt, a retired life insurance actuary and former insurance commissioner of Vermont, who has extensive experience in reviewing policies. He includes personalized recommendations in each analysis, often leading to significant savings for clients.

To utilize the service, clients must provide a sales illustration from their agent or company, which projects future premiums, cash values, and death benefits based on current rates. For existing policies, a current in-force illustration is required. The cost for the analysis is \$135 for the first illustration and \$90 for each additional one submitted simultaneously. For prospective buyers who have not yet approached agents, a \$250 fee is proposed for guidance towards safe, low-cost insurers. Payments are accepted via check or PayPal, and clients are encouraged to provide their contact information for any necessary follow-up. Mr. Hunt can be reached at his Concord, NH address or via email and phone for further inquiries.