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## **TERM LIFE INSURANCE**

**You Die Tomorrow, Your Family Will Not Suffer Financially**



**For Working Parents & Breadwinners**

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# EXECUTIVE SUMMARY

## Your Critical Risk

You are the primary breadwinner. Your family depends on your income for everything—mortgage, school fees, food, medical care, daily living. If you die unexpectedly tomorrow, your income **stops immediately**. Your family faces:

- Mortgage default and potential eviction
- Children dropping out of school
- Forced asset sales at distressed prices
- Spouse struggling to maintain lifestyle
- Complete financial devastation

If you're the primary income earner in your family, **Term Life Insurance** is the most affordable way to ensure your dependents maintain their lifestyle if something happens to you. It's pure protection-no investment component, no cash value-just maximum coverage for minimum cost.

## The Harsh Reality

78% of Kenyan breadwinners have no life insurance. When they die unexpectedly, families suffer immediate financial crisis. The very people you work so hard to provide for are left vulnerable and destitute.

## Our Solution: Term Life Insurance

Pure, affordable income replacement protection. For as little as Ksh 2,500-4,000/month, your family receives Ksh 10-25 million if you die—ensuring they maintain their lifestyle, complete education, clear debts, and have years of living expenses covered.

## Key Benefits

- Income Replacement – 10-20 years of your salary paid to family instantly
- Mortgage Protection – home loan fully cleared, family keeps house
- Education Security – children complete school/university fully funded
- Affordable – 70-80% cheaper than whole life insurance
- Peace of Mind – you can die knowing your family is financially secure
- Tax Relief – premiums qualify for 15% relief (max Ksh 5,000/month or Ksh 60,000/year)

## Investment

From Ksh 30,000/year (Ksh 2,500/month) for Ksh 10M coverage.

**Note:** This is indicative rate, actual premiums vary by age, health, provider and other premium factors.

## Who This Is for

Working parents with dependents, mortgage holders, primary breadwinners, business owners, anyone whose family relies on their income

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# YOUR SITUATION AS A BREADWINNER

## Typical Client Profile:

- Age: 30-50 years
- Family: Spouse + 2-4 dependent children
- Income: Ksh 80,000 - Ksh 500,000/month
- Responsibilities: Mortgage/rent, school fees, medical bills, daily living expenses
- Current Protection: None or grossly inadequate (Ksh 1-2M from employer)

## What Happens When You Die Without Life Insurance

### Day 1-30 (Immediate Crisis):

- Income stops immediately
- Funeral expenses: Ksh 200,000-500,000 (depletes emergency savings)
- Family confusion and panic about financial survival
- Bills continue: mortgage, school fees, utilities, food

### Months 2-6 (The Struggle Begins):

- Mortgage payment missed (Ksh 80,000-150,000/month)
- School fees unpaid (Ksh 150,000-300,000/term)
- Medical cover lost (was employer benefit)
- Savings rapidly depleting
- Forced to borrow from family/friends

### Months 6-12 (Financial Collapse):

- Bank threatens foreclosure on family home
- Children pulled from school mid-term
- Forced asset sales at 40-60% below value
- Lifestyle dramatically downgraded
- Spouse may need to work multiple jobs
- Children's futures permanently impacted

### Year 2+ (Long-Term Devastation):

- Family displaced from home
- Children's education permanently disrupted
- Psychological trauma for everyone
- Multi-generational poverty cycle begins
- Your life's work—GONE

# HOW TERM LIFE INSURANCE PROTECTS YOUR FAMILY

## The Income Replacement Calculation

### Your Situation Example:

- Age: 35 years
- Monthly income: Ksh 150,000
- Dependents: Spouse + 3 children (ages 8, 5, 2)
- Mortgage remaining: Ksh 4.5M
- Children education needs: Ksh 6M (primary through university)
- Family living expenses: Ksh 100,000/month

### Coverage Calculation:

- Income replacement (15 years):  $15 \times \text{Ksh } 1.8\text{M} = \text{Ksh } 27\text{M}$
- Mortgage clearance: **Ksh 4.5M**
- Children education fund: **Ksh 6M**
- Emergency buffer: **Ksh 2.5M**
- **Total Protection Needed: Ksh 40M**

### But Let's Be Realistic (Essential Coverage):

- Minimum income replacement (10 years): **Ksh 18M**
- Mortgage clearance: **Ksh 4.5M**
- Children education (basic): **Ksh 4M**
- **Practical Coverage: Ksh 25M**

**Premium: Ksh 45,000-55,000 per year**

### What Ksh 25 Million Does When You Die:

#### Immediate (First 60 Days):

- Funeral expenses covered: Ksh 300,000
- Mortgage completely cleared: Ksh 4.5M
- Family keeps home—no eviction, no stress

#### First 2 Years:

- Children education secured: Ksh 2M deposited in education fund
- Emergency fund established: Ksh 1.5M (6 months expenses)
- Spouse adjustment period: Ksh 2.4M (Ksh 100K/month  $\times$  24 months)
- Medical insurance premiums covered: Ksh 300,000

#### Years 3-10:

- Remaining Ksh 14M invested conservatively (12% return = Ksh 1.68M/year)
- Spouse receives Ksh 140,000/month—maintaining lifestyle
- Children complete education fully funded

- Family dignity and security preserved

### Your Legacy:

Your family continues living as if you never left. Children graduate. Spouse doesn't remarry out of desperation. Home secured. **Your life's work—PROTECTED.**

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## TAX BENEFITS

### Insurance Premium Relief (Section 31, Income Tax Act - Updated Dec 2024)

#### 15% relief on life insurance premiums:

- Relief rate: **15% of premiums paid**
- Maximum relief: **Ksh 5,000 per month** (Ksh 60,000 per annum)
- Applies to life insurance policies for self, spouse, or child
- Claimed when filing annual tax returns

#### Practical Example:

Annual term life premium: Ksh 50,000

Tax relief (15%): Ksh 7,500

**Effective premium after relief: Ksh 42,500**

#### For Higher Premiums:

Annual term life premium: Ksh 80,000

Tax relief (15% of Ksh 80,000): Ksh 12,000

Maximum claimable: Ksh 12,000 (within Ksh 60,000 annual cap)

**Effective premium after relief: Ksh 68,000**

#### Death Benefit - Tax Free

**Important:** The death benefit paid to your family is received **completely tax-free**. Whether it's Ksh 10M or Ksh 50M, your family gets the full amount with no deductions.

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## TERM LIFE INSURANCE EXPLAINED

### What Is Term Life Insurance?

#### Pure Protection:

- You pay affordable annual premiums
  - If you die during the term (10-30 years), family receives full sum assured
  - If you survive the term, coverage ends (no payout, but that's GOOD—you're alive!)
  - No savings component, no cash value—just protection
-

## Why Term Life Is Best for Breadwinners

### Advantages:

- **70-80% cheaper** than whole life insurance
- **Higher coverage** for same premium (critical for young families)
- **Flexible terms** – match to your needs (20-30 years until children independent)
- **Simple and transparent** – easy to understand
- **Convertible** – can switch to whole life later without medical exams
- **Tax relief** – 15% savings on premiums (max Ksh 60,000/year)

### Comparison: Term vs Whole Life (Age 35, Male, Ksh 10M Coverage)

Feature	Term Life (20 Years)	Whole Life
Annual Premium	Ksh 38,000	Ksh 180,000
Coverage Amount	Ksh 10,000,000	Ksh 10,000,000
Cash Value	None	Builds over 20+ years
Protection Period	20 years	Lifetime
Tax Relief	Yes (15%, max Ksh 60K/year)	Yes (15%, max Ksh 60K/year)
Best For	<b>Young families, high coverage needs</b>	Wealthy individuals, estate planning

### Our Recommendation:

For 95% of working parents, **Term Life is the smart choice**. You need maximum protection NOW while children are young and mortgage is high—not expensive savings plans.

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## COVERAGE STRUCTURE & PRICING

### Term Life Insurance Options

Coverage Amount	Annual Premium (Age 35, Male)	Monthly Equivalent	Best For
<b>Ksh 5M</b>	Ksh 20,000	Ksh 1,667	Single income, 1-2 children, no mortgage
<b>Ksh 10M</b>	Ksh 38,000	Ksh 3,167	Typical family, 2-3 children, moderate mortgage
<b>Ksh 15M</b>	Ksh 52,000	Ksh 4,333	Larger family, higher income, significant mortgage
<b>Ksh 25M</b>	Ksh 80,000	Ksh 6,667	High-income earner, 3+ children, large obligations

Premiums shown for 20-year term, non-smoker, standard health. Actual premiums vary by age, health, and provider.

## Premium Factors

### What Affects Your Premium:

- **Age:** Younger = cheaper (lock in low rates early)
- **Health:** Non-smoker, healthy = 30-50% lower premiums
- **Coverage amount:** Higher coverage = higher premium (but proportionally cheaper)
- **Term length:** 20 years cheaper than 30 years
- **Gender:** Females typically 10-15% cheaper (longer life expectancy)
- **Occupation:** High-risk jobs (e.g., mining) may attract 20-40% loading

### Optional Riders (Add-On Benefits)

Rider	What It Does	Additional Cost
<b>Critical Illness</b>	Pays 25-50% of cover if diagnosed with cancer, stroke, heart attack	+30-40%
<b>Disability Waiver</b>	Premiums waived if permanently disabled; coverage continues	+10-15%
<b>Accidental Death Benefit</b>	Double payout if death from accident	+5-10%
<b>Family Income Benefit</b>	Monthly income to family instead of lump sum	Included/neutral

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## MY ROLE AS YOUR INDEPENDENT FINANCIAL ADVISOR:

- Help you calculate exact coverage your family needs (not guesswork)
- Compare providers to find best rate and terms
- Handle paperwork
- Ensure beneficiary designations are legally correct (prevents disputes)
- Provide claims support when needed most
- Assist with tax relief claims on i-Tax

### No Advisory Fees:

You pay nothing for my services - providers pay me a commission. You pay the same premium direct or through me—but gain expert guidance, needs analysis, and claims advocacy.

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# REAL CLIENT SUCCESS STORIES

## Case 1: John – The Protection That Saved His Family

### Situation:

- Age 38, married, 3 children (ages 8, 6, 3)
- Monthly income: Ksh 180,000
- Mortgage: Ksh 4.5M remaining
- Wife: Stay-at-home mom
- **Term life coverage: Ksh 25M** (20-year term)
- Annual premium: Ksh 45,000
- Tax relief: Ksh 6,750/year (15% of premiums)
- **Effective premium: Ksh 38,250/year**

### The Tragedy:

John died in a tragic car accident at age 42 (4 years into policy).

### What Happened Without Insurance (Likely Scenario):

- Family would have lost home to foreclosure
- Children would have dropped out of private school
- Wife forced into low-wage work
- Ksh 4.5M mortgage + Ksh 6M education + 15 years living = **Ksh 30M+ lifetime needs UNMET**

### What Actually Happened with Ksh 25M Term Life:

- **Claim paid within 45 days:** Ksh 25,000,000 deposited (tax-free)
- **Mortgage cleared immediately:** Ksh 4.5M—family keeps home
- **Education fund established:** Ksh 6M—children completed private school through university
- **Living expenses covered:** Ksh 10M invested—generates Ksh 100,000/month for 10+ years
- **Emergency buffer:** Ksh 2M maintained
- **Funeral costs:** Ksh 300,000 covered with dignity

### Results:

- All 3 children completed university
- Family remained in their home
- Wife didn't remarry out of desperation
- Lifestyle maintained—children never knew poverty
- **John's legacy preserved—he died knowing his family would be okay**

### Wife's Testimony:

*"That Ksh 45,000 John paid annually was the best investment he ever made. With tax relief, it was actually Ksh 38,250—less than his monthly fuel budget. We miss him every day, but we've never struggled. The children graduated, we have our home, and we live comfortably. I tell every parent: protect your family with life insurance."*

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## Case 2: Alice – Mortgage Protection Success

### Situation:

- Age 40, married (both working)
- Combined income: Ksh 350,000/month
- Purchased Ksh 8M home with Ksh 6.5M mortgage (20-year term)
- Alice primary earner (Ksh 250,000/month)
- **Term life coverage: Ksh 7M decreasing term** (matches reducing mortgage balance)
- Annual premium: Ksh 42,000
- Tax relief: Ksh 6,300/year
- **Effective premium: Ksh 35,700/year**

### The Crisis:

Alice diagnosed with terminal cancer at age 48. Critical illness rider paid out Ksh 2M (used for treatment). Alice passed away at age 50.

**Mortgage Outstanding at Death:** Ksh 5.2M (10 years into 20-year mortgage)

### What Happened:

- **Term life paid:** Ksh 7M (tax-free to family)
- **Mortgage cleared:** Ksh 5.2M paid to bank
- **Remaining:** Ksh 1.8M given to husband and children
- **Home secured:** Family keeps house, no mortgage payments
- **Husband Tom and children:** Continued living in family home debt-free

### Tom's Reflection:

*"Alice was the breadwinner. When she got sick, I didn't know how we'd manage. The Ksh 2M from critical illness rider helped with treatment. When she passed, the life insurance cleared our mortgage completely. We lost Alice, but we didn't lose our home. The kids grew up here. That insurance was everything—and the tax relief made it even more affordable while she was paying premiums."*

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## COMMON MISTAKES & HOW WE AVOID THEM

### Mistake 1: Underinsuring

Buying only Ksh 1-2M coverage (barely covers funeral and 1 year expenses).

**Solution:** Calculate 10-15 years income replacement + debts + education needs.

## **Mistake 2: Waiting "Until I'm Older"**

Premiums increase 5-10% per year of age. Plus, health deteriorates.

**Solution:** Buy maximum coverage NOW while young and healthy.

## **Mistake 3: Choosing Whole Life for Young Families**

Paying Ksh 180,000/year for Ksh 10M when term life gives same coverage for Ksh 38,000.

**Solution:** Term life for protection now, consider whole life later if wealthy.

## **Mistake 4: Wrong Beneficiary Designation**

Naming minor children directly (court holds funds for years) or unclear beneficiaries (family disputes).

**Solution:** Name spouse as primary, establish trust for children, clear backup beneficiaries.

## **Mistake 5: Not Reviewing Coverage**

Life changes (more children, bigger mortgage) but coverage stays same.

**Solution:** Annual reviews—adjust coverage as family needs grow.

## **Mistake 6: Hiding Health Conditions**

Lying on application leads to claim denial when family needs it most.

**Solution:** Full disclosure—we'll find insurers who cover pre-existing conditions.

## **Mistake 7: Not Claiming Tax Relief**

Missing out on 15% premium savings (up to Ksh 60,000/year).

**Solution:** We guide you on claiming relief annually on iTax.

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# **FREQUENTLY ASKED QUESTIONS**

## **Q: What if I survive the 20-year term?**

A: Coverage ends. That's GOOD—you're alive! Your children are now independent, mortgage cleared/nearly cleared, less financial dependents. You've protected your family through critical years.

## **Q: Do I get my money back if I don't die?**

A: No. Term life is pure protection, not savings. Think of it like car insurance—you don't want to "use" it, but you need it just in case.

**Q: Can I convert to whole life later?**

A: Yes. Most term policies have conversion options (no medical exam required). Convert if your financial situation improves significantly.

**Q: What if I develop a condition during the term?**

A: Your coverage continues at same premium (guaranteed renewable). Pre-existing conditions at application may increase premiums or be excluded.

**Q: How long does claims take?**

A: 45-75 days with complete documentation. I assist to ensure fast processing—families get funds when most needed.

**Q: What if we can't afford recommended coverage?**

A: Start with what you can afford (even Ksh 5M better than nothing). Increase coverage as income grows. Some protection beats no protection.

**Q: Should both spouses have life insurance?**

A: Yes, if both work. If one stays home, they still need coverage (childcare, housework replacement costs Ksh 40-60K/month).

**Q: How do I claim the tax relief?**

A: Claim when filing annual tax returns on iTax:

- Relief: 15% of premiums paid
- Maximum: Ksh 5,000/month (Ksh 60,000/year)
- Keep premium payment receipts and policy documents
- Can be claimed for policies on self, spouse, or child

**Q: Does the death benefit get taxed?**

A: No. The entire death benefit is paid to your family **completely tax-free**.

## **YOUR NEXT STEP**

### **Your Family's Financial Security Starts Now**

#### **The Hard Truth:**

You cannot predict when you'll die. Accidents, illness, unexpected tragedies happen daily. If you died tomorrow, would your family be financially okay?

#### **The Uncomfortable Question:**

How many months could your family survive on savings alone? 3 months? 6 months? Then what—lose the house? Pull kids from school?

**The Empowering Solution:**

For less than Ksh 4,000/month (even less with tax relief), you can guarantee your family 10-20 years of financial security. Your children complete university. Your spouse keeps the home. Your life's work is protected.

**Get Your Custom Quote Now - Contact Me Today**

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*"Your family's security is not about how much money you make—it's about how much protection you leave behind. For less than a dinner out per week (and even less with tax relief), you can guarantee they'll never suffer financially. Let me show you exactly how much coverage your family needs." - Simon Muchiri, Comely Global Insurance Agency Ltd*

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*This document is for informational purposes and does not constitute medical or legal advice. Premiums and benefits are subject to insurer underwriting and regulatory approval.*