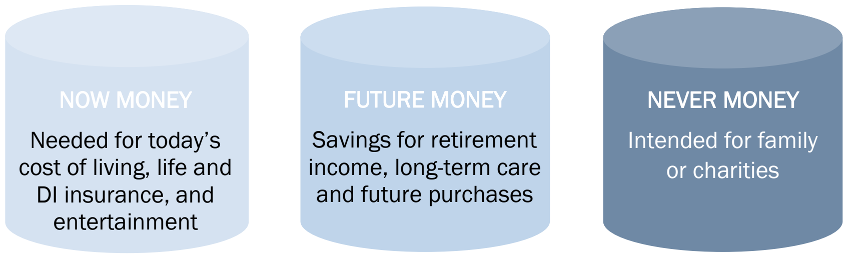
Five Minute Concept

Life Insurance As An Asset Class

Creating Legacies Together

Using Never Money to fund life insurance can ensure a lasting legacy for families or charities. Many clients have financial needs for current, future and legacy purposes. These can be represented by:



By leveraging the Never Money, your clients may significantly increase the legacy they intend to leave behind.

How the Never Money Strategy Works: (Hypothetical Example)

$250,000 basis / 30% tax bracket / Preferred female 70 / Standard Plus male 72 / Life Exp. 18 years.

Current Situation:

Non-Qualified annuity: **$250,000**	Annuity IRR: 5%	Account values at life expectancy: $601,655	Income tax of $105,500	Total to heirs: **$496,155**

Proposal:

Non-Qualified annuity: **$250,000**	Annuity IRR: 5%	Buy second-to-die life insurance funded by $8,750 after-tax annual withdrawals	Annuity: $250,000 Policy: $490,000	Total to heirs: **$740,000**

49% Increase!

Never Money Strategies

- Income Maximization – Income from retirement plans, annuities, municipal bonds or CDs, is used to purchase a life insurance policy on the clients. Ownership and beneficiary designations are determined by the clients' goals and concerns.
- Asset Repositioning – Money from investments, savings or other non-qualified assets is used to purchase life insurance policies on the clients. Often, a long-term care rider is considered for added protection.
- Life insurance policies most often offer significant additional money for legacy beneficiaries as compared to outright gifting upon death, i.e. a significant 'gross-up' of the gift vs. the amount of contribution to the policy.