



## RETIREMENT PLANNING CHALLENGES FOR WOMEN

Protecting family and planning for a long retirement are normally the two top priorities for most women when considering a financial plan and while many of your female clients have traditional retirement accounts, i.e. 401(k)s and IRAs, they're concerned about it not being enough. Consider a cash value, permanent life insurance policy as an option to round out the retirement portfolio..

### PROFILE:

- Female, age 45, Super Preferred Non-Nicotine
- Product considered: Accumulation Indexed Universal Life
- Initial Premium: \$10,000
- Initial Benefit: \$182,995
- Summary Year: 30

*The following chart and table compare purchasing life insurance to investing the premium dollars to an alternative investment. The alternative investment is a hypothetical fund which is assumed to grow at the composite rate of return and includes assets which may be subject to income tax at the individual's ordinary income tax or capital gains tax bracket.*

### ACCUMULATION

Annual contribution of **\$10,000** for **20 years** = Total contribution: **\$200,000**

#### ALTERNATIVE INVESTMENT

##### DISTRIBUTION

Annual after-tax income of **\$30,855** for **10 years\***

Total after-tax distributions:  
**\$308,550**



##### ACCOUNT BALANCE

After-tax remainder in year **30**  
**\$22,419**

Total distributions and remainder:  
**\$330,969**

#### LIFE INSURANCE

##### DISTRIBUTION

Annual after-tax income of **\$30,855** for **10 years**

Total after-tax distributions:  
**\$308,550**



##### DEATH BENEFIT PROTECTION

Death benefit in year **30**  
**\$148,146**

Total distributions and death benefit:  
**\$456,696**

IRR ON TOTAL DISTRIBUTIONS  
AND DEATH BENEFIT: **4.90%**



LIFE INSURANCE ADVANTAGE:  
**\$125,728**

\*May include partial payment in final year

The potential policy cash value of a life insurance policy grows on a tax-deferred basis. As long as the policy is not designed as a Modified Endowment Contract (MEC), you can take tax-free withdrawals and loans from the cash value. Withdrawals from the policy are income-tax free up to the policy's cost basis (premiums paid), after which point you should switch to loans which are generally not taxable. The summary year refers to the year that has been chosen by you. The year may be life expectancy, a random year, or a year that coincides with your personal planning goals.

### FOR USE BY LICENSED FINANCIAL PROFESSIONALS.

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## SIDE FUND INVESTMENT VS. BUYING LIFE INSURANCE

| YR | AGE | ALTERNATE INVESTMENT CONTRIBUTIONS | NET WITHDRAWALS | GROWTH RATE | NET ALTERNATE INVESTMENT (EOY) | LIFE INSURANCE PREMIUM | WITHDRAWALS AND LOANS | NET CASH VALUE | NET DEATH BENEFIT |
|----|-----|------------------------------------|-----------------|-------------|--------------------------------|------------------------|-----------------------|----------------|-------------------|
| 1  | 46  | 10,000                             | 0               | 5.00%       | 10,325                         | 10,000                 | 0                     | 4,785          | 191,667           |
| 2  | 47  | 10,000                             | 0               | 5.00%       | 20,986                         | 10,000                 | 0                     | 14,029         | 200,832           |
| 3  | 48  | 10,000                             | 0               | 5.00%       | 31,993                         | 10,000                 | 0                     | 23,665         | 210,425           |
| 4  | 49  | 10,000                             | 0               | 5.00%       | 43,357                         | 10,000                 | 0                     | 34,281         | 220,602           |
| 5  | 50  | 10,000                             | 0               | 5.00%       | 55,091                         | 10,000                 | 0                     | 45,101         | 231,274           |
| 6  | 51  | 10,000                             | 0               | 5.00%       | 67,207                         | 10,000                 | 0                     | 56,489         | 242,470           |
| 7  | 52  | 10,000                             | 0               | 5.00%       | 79,716                         | 10,000                 | 0                     | 68,403         | 254,223           |
| 8  | 53  | 10,000                             | 0               | 5.00%       | 92,632                         | 10,000                 | 0                     | 80,900         | 266,561           |
| 9  | 54  | 10,000                             | 0               | 5.00%       | 105,967                        | 10,000                 | 0                     | 94,124         | 279,518           |
| 10 | 55  | 10,000                             | 0               | 5.00%       | 119,736                        | 10,000                 | 0                     | 107,905        | 293,131           |
| 11 | 56  | 10,000                             | 0               | 5.00%       | 133,953                        | 10,000                 | 0                     | 122,794        | 307,862           |
| 12 | 57  | 10,000                             | 0               | 5.00%       | 148,631                        | 10,000                 | 0                     | 140,187        | 323,354           |
| 13 | 58  | 10,000                             | 0               | 5.00%       | 163,787                        | 10,000                 | 0                     | 157,322        | 340,317           |
| 14 | 59  | 10,000                             | 0               | 5.00%       | 179,435                        | 10,000                 | 0                     | 175,177        | 358,172           |
| 15 | 60  | 10,000                             | 0               | 5.00%       | 195,592                        | 10,000                 | 0                     | 193,979        | 376,974           |
| 16 | 61  | 10,000                             | 0               | 5.00%       | 212,273                        | 10,000                 | 0                     | 213,783        | 396,778           |
| 17 | 62  | 10,000                             | 0               | 5.00%       | 229,497                        | 10,000                 | 0                     | 234,645        | 417,640           |
| 18 | 63  | 10,000                             | 0               | 5.00%       | 247,281                        | 10,000                 | 0                     | 256,624        | 439,619           |
| 19 | 64  | 10,000                             | 0               | 5.00%       | 265,642                        | 10,000                 | 0                     | 279,782        | 462,777           |
| 20 | 65  | 10,000                             | 0               | 5.00%       | 284,601                        | 10,000                 | 0                     | 304,195        | 462,777           |
| 21 | 66  | 0                                  | 30,855          | 5.00%       | 261,993                        | 0                      | 30,855                | 290,483        | 431,922           |
| 22 | 67  | 0                                  | 30,855          | 5.00%       | 238,650                        | 0                      | 30,855                | 276,129        | 401,067           |
| 23 | 68  | 0                                  | 30,855          | 5.00%       | 214,548                        | 0                      | 30,855                | 261,090        | 370,212           |
| 24 | 69  | 0                                  | 30,855          | 5.00%       | 189,663                        | 0                      | 30,855                | 245,320        | 339,357           |
| 25 | 70  | 0                                  | 30,855          | 5.00%       | 163,969                        | 0                      | 30,855                | 228,772        | 308,502           |
| 26 | 71  | 0                                  | 30,855          | 5.00%       | 137,440                        | 0                      | 30,855                | 211,394        | 277,647           |
| 27 | 72  | 0                                  | 30,855          | 5.00%       | 110,049                        | 0                      | 30,855                | 193,056        | 246,634           |
| 28 | 73  | 0                                  | 30,855          | 5.00%       | 81,768                         | 0                      | 30,855                | 173,747        | 214,770           |
| 29 | 74  | 0                                  | 30,855          | 5.00%       | 52,568                         | 0                      | 30,855                | 153,468        | 181,950           |

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|----|-----|------------------------------------|-----------------|-------------|--------------------------------|------------------------|-----------------------|----------------|-------------------|
| 30 | 75  | 0                                  | 30,855          | 5.00%       | 22,419                         | 0                      | 30,855                | 132,178        | 148,146           |
| 31 | 76  | 0                                  | 22,419          | 5.00%       | 0                              | 0                      | 30,855                | 109,836        | 122,843           |
| 32 | 77  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 30,855                | 86,157         | 99,772            |
| 33 | 78  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 30,855                | 61,004         | 75,209            |
| 34 | 79  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 30,855                | 34,284         | 49,055            |
| 35 | 80  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 30,855                | 5,896          | 21,207            |
| 36 | 81  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 7,566          | 23,411            |
| 37 | 82  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,276          | 25,671            |
| 38 | 83  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 11,022         | 27,982            |
| 39 | 84  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 12,796         | 30,336            |
| 40 | 85  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 14,585         | 32,722            |
| 41 | 86  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 14,491         | 33,146            |
| 42 | 87  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 14,269         | 33,450            |
| 43 | 88  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 13,891         | 33,608            |
| 44 | 89  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 13,326         | 33,585            |
| 45 | 90  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 12,538         | 33,346            |
| 46 | 91  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 11,490         | 28,579            |
| 47 | 92  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 10,501         | 23,662            |
| 48 | 93  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,652          | 18,666            |
| 49 | 94  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,044          | 13,677            |
| 50 | 95  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 8,807          | 8,807             |
| 51 | 96  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,094          | 9,094             |
| 52 | 97  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,399          | 9,399             |
| 53 | 98  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 9,723          | 9,723             |
| 54 | 99  | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 10,066         | 10,066            |
| 55 | 100 | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 10,430         | 10,430            |
| 56 | 101 | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 10,816         | 10,816            |
| 57 | 102 | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 11,226         | 11,226            |
| 58 | 103 | 0                                  | 0               | 5.00%       | 0                              | 0                      | 0                     | 11,661         | 11,661            |

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