



Secure Navigation

Protect. Preserve. Prosper.



The purpose of this brochure is to demonstrate the opportunities available through life insurance. Learn the advantages of a properly structured life insurance policy to provide *Secure Navigation to Protect, Preserve & Prosper*.

Life insurance offers two core benefits. First, it offers some protection for your family from the financial hardships of your premature death. Living benefit riders can also help protect your family from loss such as critical illness.

Second, certain types of life insurance offer wealth accumulation features. Not only can life insurance benefit your family in the event of your death, but it can also benefit you as a key component in your financial portfolio.

To be prepared for retirement, you first need to establish what your retirement income needs will be as well as identify the income level your family would require in your absence. Once you assess your financial needs, look for a way to accumulate the necessary funds in a tax-efficient manner. There are several types of life insurance policies and available riders.

PROTECT. PRESERVE. PROSPER.

Your Money When You Need It

Term Insurance

Term insurance provides coverage for a limited number of years and is perhaps the simplest form of life insurance. Since term insurance can be purchased in large amounts for a relatively small initial premium, it is well-suited for short-range goals such as life insurance coverage to pay off a loan or extra protection during child-raising years. Term life insurance provides death protection for a stated time period, or term. The term options usually range from one, five, 10, 20 and 30-year periods.

Whole Life Insurance

Whole life insurance is the most traditional type of cash value insurance. Generally, premiums and death benefits stay the same over the life of the policy. In addition to providing life insurance coverage for as long as you live, the guaranteed cash values may be able to provide money, when you need it, to help with temporary needs or emergencies.

Universal Life Insurance

Universal life insurance is permanent life insurance, which offers the policyholder the most flexibility, but also requires the most vigilance to keep the policy on track.

To ensure the policy remains in force, the amount of cash value must meet the insurer's charges. It provides a flexible premium and adjustable benefit so that as your needs change, you have the option to change your coverage. Additionally, as premiums are paid, it can accumulate an account value, which continues to grow tax-deferred until you need to distribute the funds.

Riders are special additions to the policy provisions that offer further benefits. Typical riders include children's term riders, waiver of premium for disability riders, long-term care riders and accelerated benefit riders.

Indexed Universal Life Insurance

Indexed universal life insurance is a form of universal life insurance that links the growth of the cash value to an index's performance such as the S&P 500, Russell 2000 and the Dow (to name a few). The account may not experience losses if the index performs poorly but can have a cap (or limitation) as to the maximum amount of interest credited. Typically, the starting point each year is last year's ending point which means that: (a) the policy amount is locked in at the end of the year, and (b) the beginning value from which the movement measured is reset. Purchasers of this type of policy are often looking for an income stream out of this policy at some point in the future.

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Tax Advantages

Life insurance enjoys unique status among financial products. The tax benefits of life insurance are:

- NO current income tax on interest or earnings
- NO income tax on the borrowed cash value in most circumstances
- NO income tax on death benefits proceeds in most circumstances¹
- Avoid potential estate taxes and probate costs

Additional Considerations

Roth IRA Alternative

If you are thinking about purchasing a Roth IRA to help with retirement, you may want to consider a life insurance policy. Life insurance policies offer flexibility not available on a Roth IRA. There are no contribution limits and no income limits on life insurance, and you can withdrawal funds from life insurance before age 59 ½. Finally, the policy's death benefit creates an immediate estate to your heirs.

Accumulation and Distribution

A life insurance policy may help you manage your debt while accumulating assets. After your policy builds cash value, those funds can be withdrawn to pay for some of your unanticipated expenses.² Additionally, your policy's cash value can help pay for a big-ticket item to help you reduce the amount you need to borrow from a bank or put on a credit card. Also, your policy's death benefit may be reduced to pay back any outstanding policy loans so your heirs don't need to worry about any remaining debt after your passing.

The **BEST** type of life insurance is completely dependant on the nature of your **NEED**

PROTECT

Evaluating your liabilities can feel overwhelming. Your house, cars, student loans, children and business can add up to quite a large number. If you are an income generator in the family, the revenue you provide is crucial. If something were to happen to you, your family could be put in a bad situation. By determining what your liabilities are and what your earning potential is over your working years, it can give you a good idea of the coverage you should have to protect your family.

PRESERVE

Your family home, land, mementos and wealth can be a product of many generations. Keeping them in the family can be extremely important, but preserving family wealth can be easier said than done. One of the best ways to preserve your assets is to leverage part of your family wealth into a life insurance contract. The proceeds of the policy can be used at death to help cover taxes, liabilities, business issues and add to the overall wealth of the family, as well as ensure that family heirlooms will not have to be liquidated if cash is short.

PROSPER

Preparing for retirement can be a daunting task. There are many sources of advice, products and concepts. Add in the uncertainty of the market, interest rates and tax law changes, and it is hard to know what is right for you.

Retirement creates a storm of confusion in a time where you want clarity. Different products offer different solutions, but one solution that can weather these financial storms is the utilization of a properly structured life insurance policy.

Remember, life insurance policies are not subject to the same income restrictions of other retirement vehicles, and they may offer the ability for growth of your cash value, which can provide tax-free retirement income in the form of loans. Properly structured income distribution from a life insurance policy can provide for retirement income, thus allowing you to tailor your other investment assets to reach their full potential.



1 Life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC § 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable.

2 Certain types of cash value life insurance policies may not allow you to withdraw from your cash value at all. If your policy does allow such withdrawals, any withdrawal you make will typically be tax-free up to your basis in the policy. This means that if you make a withdrawal over and above your basis in the policy, a portion of the withdrawal will be considered taxable income.

The above is for informational purposes only and should not be construed as advice or a recommendation. Surrenders, withdrawals and loans may reduce the death benefit on a life insurance policy. Some life insurance policies may have a surrender charge or penalty. It is recommended that you speak to a qualified professional before taking a withdrawal or loan from a life insurance policy. In some instances, an unpaid loan on a life insurance policy could cause the policy to lapse.

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