

# Life insurance as an asset

## Provide clients another tool in the toolbox of wealth creation

Effects of the coronavirus pandemic have brought the fragility of life to the forefront of consumers' minds. As a result, two-thirds of Americans say the pandemic has been a wake-up call to re-evaluate their finances, according to a survey by Life Happens.

While consumers are more open to discussing life insurance, it's important to explain that it can be far more than just a death benefit. In fact, it should be considered an asset for any portfolio focused on wealth creation. Consider these key attributes of life insurance and how they might fit into your clients' plans for the future, regardless of their stage of life.

### PRE-RETIREMENT

- Provides financial protection that can keep the family or business going
- Can be more cost-effective when purchased earlier in life
- Guarantees premium protection from market volatility for the life of the policy
- Can offer flexibility in premium payments and policy amounts as life changes occur
- Is not subject to IRS contribution limits in the same way as other retirement accounts\*
- Provides tax and advantages and potential liquidity
- Is not subject to the 10% penalty for withdrawals taken before age 59½

### RETIREMENT

- Offers control of income by providing another bucket to choose from
- Provides control of tax bracket by offering a tax-free bucket to pull from
- Protects other assets in case of chronic illness if applicable riders are implemented
- Can allow clients to choose higher pension payments (By choosing a life insurance policy that will provide for the surviving spouse, the client can choose the higher payment option from a pension.)
- Is not subject to required minimum distributions (RMDs) after age 72 (Clients who don't need the money to live off of can allow it to grow and provide for heirs.)

### POST-RETIREMENT

- Delivers a tax-free death benefit to loved ones or a charity of choice
- Ensures the death benefit is paid to beneficiaries outside of probate
- Provides a predictable legacy
- Provides income-tax-free funds that can be used to pay for taxes on traditional retirement assets (This gives beneficiaries choices, which is especially important now that the stretch IRA option has been eliminated.)



Contact your Life Sales Consultant for help using life insurance to strategically meet myriad client needs!

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\*IRS limits may apply based on specific policy design.

Guarantees are backed by the claims-paying ability of the issuing insurance company.

