



Imeriti, Inc.

Life Insurance Overview Session 2: Why Life Insurance?

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Life Insurance: Which is the Right Choice?

Product	Description	Highlights
Level Term/ Term with ROP	Term insurance is best suited for a temporary need that will expire at some time in the future. Term insurance may also be appropriate for young people who cannot afford permanent insurance. Term with return of premium is attractive because at the end of the term, all premiums are returned if no death benefit has been paid out.	<ul style="list-style-type: none"> • Temporary Insurance Protection • Lowest initial cost • More coverage per premium dollar
Fixed Universal Life	Fixed UL is attractive to customers accustomed to receiving periodic interest on their financial investments. Some want the luxury of an increasing death benefit. Others want to focus on the cash value build-up for future needs. All want guaranteed coverage for life at a fixed price with premium and death benefit flexibility.	<ul style="list-style-type: none"> • Flexibility of premiums • Flexibility of death benefit May Provide: <ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Coverage for life as long as premiums are paid
Whole Life	With whole life, the customer can permanently transfer the risk of premature death to the insurance company. Whole life is generally bought by conservative clients interested in long-term security and premium that's fixed for life.	<ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Guaranteed cash value • Coverage for life as long as premiums are paid
Indexed Universal Life	Indexed UL offers death benefit protection with policy cash value interest credit linked to the performance of one or more stock market indices (e.g. S & P 500 Index).	<ul style="list-style-type: none"> • Flexibility of premiums • Flexibility of death benefit May provide: <ul style="list-style-type: none"> • Fixed premiums for life • Cash value accumulation • Coverage for life as long as premiums are paid
Single Premium Universal Life	Single payment life is generally sold as a way to protect customer's estate and increase its value at the same time. Many customers are conservative investors between 55 and 85 years old. They have a nest egg to pass on to children, other family members, or charity.	<ul style="list-style-type: none"> • Increased estate value • Tax-deferred gain in contract • No income tax to beneficiary • Safety of medical provisions
Other Life	Other options for direct stock market participation include Variable Universal Life (VUL) products, which may be discussed in further detail with your licensed Representative.	



When I say: “LIFE INSURANCE”,

What do YOU think of?



When You say “LIFE INSURANCE” to a CLIENT,

What do YOU think THEY are thinking?



Why Life Insurance – For Planning

- What are your financial goals in life?
- Will you have enough to satisfy your retirement needs?
- Will you be able to pay for your children's college education with and without an early demise?
- How will you protect your 401(k), IRA, 457, or other tax-deferred assets from the tax bill due on withdrawal?
- How will you provide your family with lost income, mortgage, and unpaid bills should you die?
- How will you leave a legacy to your heirs?



The Solution ... Life Insurance



- Pay off debts and taxes without putting additional strain on the family.
- Equalize the inheritances of different family members
- Fund business continuation agreements and succession plans
- Create funds for distribution to charities
- Fully fund college savings and retirement plans with a death benefit and tax free loans.
- Provide the extra money to pay the tax burden of 401(k), IRA, 457, and any other tax-deferred accounts.
- Leave a legacy to heirs by leveraging your investment –
life insurance is the **single best** option for wealth transfer.
- Solidify the financial security of disabled family members
- Replace funds lost in troubled financial markets



How do you even get to the opportunity to discuss life insurance with a customer?

Referrals to the Investment Representative

- What is your typical conversation with a customer who comes to discuss:
 - CDs ?
 - Setting aside money for children/education ?
 - Setting aside money for retirement ?
 - Loans ? [not Auto]
- What is your typical conversation with a customer AFTER you've completed a transaction ?



How do you even get to the opportunity to discuss life insurance with a customer?

Investment Representative

- What is your typical conversation with a customer who comes to discuss:
 - CD alternatives?
 - Investment portfolio & objective?
 - Setting aside money for children/education?
 - Setting aside money for retirement?
- What is your typical conversation with a customer AFTER you've completed:
 - A mutual fund transaction?
 - A 529?
 - An IRA?



Why Insurance?

- With the passage of time, life changes, and so does what life insurance can help protect.
 - Change in marital status
 - New home
 - Children/Adoption
 - Job promotion/job change
 - Taking on debt
 - Planning for college
 - Planning for retirement
 - Changes in your business if you're a business owner
- Help plan for events down the road—whether
 - a new house
 - a family
 - college
 - retirement

Insurance Prospects

- ❑ Do you have clients
 - ❑ who want life insurance for their family, but have a limited budget?
 - ❑ who could leverage existing life insurance to meet their changing needs?
 - ❑ facing children's college tuition and aging parents' long-term care expenses?
[the 'sandwich' generation]
 - ❑ who would like to save for their children's education?
 - ❑ who want to protect their assets for the next generation?
 - ❑ who want the assurance of having assets in reserve and protection for their legacy?
 - ❑ who want to potentially protect their estate from the claims of creditors?
 - ❑ who need protection as a business' key person or for business continuation?
 - ❑ who want to bestow a sizable charitable legacy at a discount?

Insurance Prospects

1. Would your clients like to build tax-deferred and potentially tax-free assets?

- Life insurance is tax advantaged, and death benefits are income tax free.
- Potential gains accumulate into a policy on a tax-deferred basis.
- Properly structured loans or other withdrawals can be made with no taxes due.

Consider clients who:

- Are ages 30 to 60, and need tax-deferred growth potential
- Have a minimum 10-year investment horizon
- Have "maxed out" their 401(k) or other qualified plan and want additional tax-advantaged savings.

Insurance Prospects

2. Does your client need income protection?

- Should something happen to your client, the right policy could help his or her beneficiaries maintain their current standard of living without being forced to change their current lifestyles.

Check to see if you have clients who:

- Do not have life insurance protection, or have inadequate protection
- Support a nonworking spouse and/or child

Insurance Prospects

3. Do you have clients who do not need all of their assets for retirement?

- You may be able to help them leverage and maximize these assets by using them to purchase a life insurance policy — with its tax-efficient death benefit for your clients' beneficiaries.

Consider clients who:

- Are ages 50 to 85
- Currently have annuities, IRAs, or CDs
- Have assets they don't need for retirement

Insurance Prospects

- Clients you've done annuity, IRA, mutual fund, 529, CD, or investment business with.
- Clients you want to extend your relationship with.
[More receptive]
- Clients who you know have had event changes.
- Clients with decreased investment value – dealing with the “Great Recession”.
 - Protect higher value for beneficiaries with life insurance as your portfolio recovers.
- Clients you have ‘fee-based’ business with.
[Most receptive]

Retirement Financial Flexibility Worksheet

Strategies to Help Preserve Retirement Assets & Income

1. Help Replace Income Taxes on Tax-Qualified Account Distributions:

Total Retirement Account Balances _____
 Expected Marginal Income Tax Bracket _____
 Projected Income Taxes on Account Distributions _____

2. Help Create Funds to Convert a Traditional IRA Into a Roth IRA:

Amount of IRA to Convert to a Roth IRA _____
 Projected Income Tax Bracket _____
 Projected Income Tax Due on Conversion _____

3. Increase the Legacy a Traditional IRA Can Pass On:

Total Tax-Qualified Account Balances _____
 Projected Net Remaining After Income Taxes _____
 Possible Amount of Coverage _____

4. Reinforce a Spouse's/Partner's Financial Security with Reserve Funds for:

Higher than Expected Living Costs/Inflation _____
 Unexpected Medical Costs/Property Losses _____
 Sub-Par Investment Performance & Losses _____

5. Create a Flexible Alternative to Bequests in Wills or Trusts:

Bequests from Husband's Documents _____
 Bequests from Wife's Documents _____

6. Plan for a Target Inheritance:

Desired Inheritance Per Child/Grandchild _____
 Number of Children/Grandchildren _____

7. Help Prevent Family Conflicts:

Additional Inheritance for Surviving Spouse _____
 Additional Inheritance for Children _____
 Reserve for Disabled Children _____
 Cash to Balance Children's Inheritances _____

8. Other / Miscellaneous:

Total Additional Cash Needed:

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Life insurance offers a potentially powerful combination of benefits, protections and advantages

I wish to Thank You for attending.
And now, Questions

For Case Design and Life Product assistance,
contact an **Imeriti Representative** at 800.921.3100

