



Life Insurance Overview

Session 3: Life Insurance For Supplemental Income

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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.	

Retirement Using Life Insurance

- A strategy in which a life insurance policy is purchased to provide both:
 - Death Benefit protection, for your family, and
 - Supplemental Assets for retirement



Retirement Using Life Insurance

Income Tax Benefits

1. Income Tax-Free Death Benefits

- ✓ Life insurance death proceeds are generally not subject to income taxes. [IRC Sec. 101]



Retirement Using Life Insurance

Income Tax Benefits

1. Income Tax-Free Death Benefits
2. Income Tax-Deferred Growth
 - ✓ No income taxes are due on cash values that accumulate in the life insurance policy.



Retirement Using Life Insurance

Income Tax Benefits

1. Income Tax-Free Death Benefits
2. Income Tax-Deferred Growth
3. Income Tax-Free Distributions
 - ✓ Cash values may be distributed income tax free.



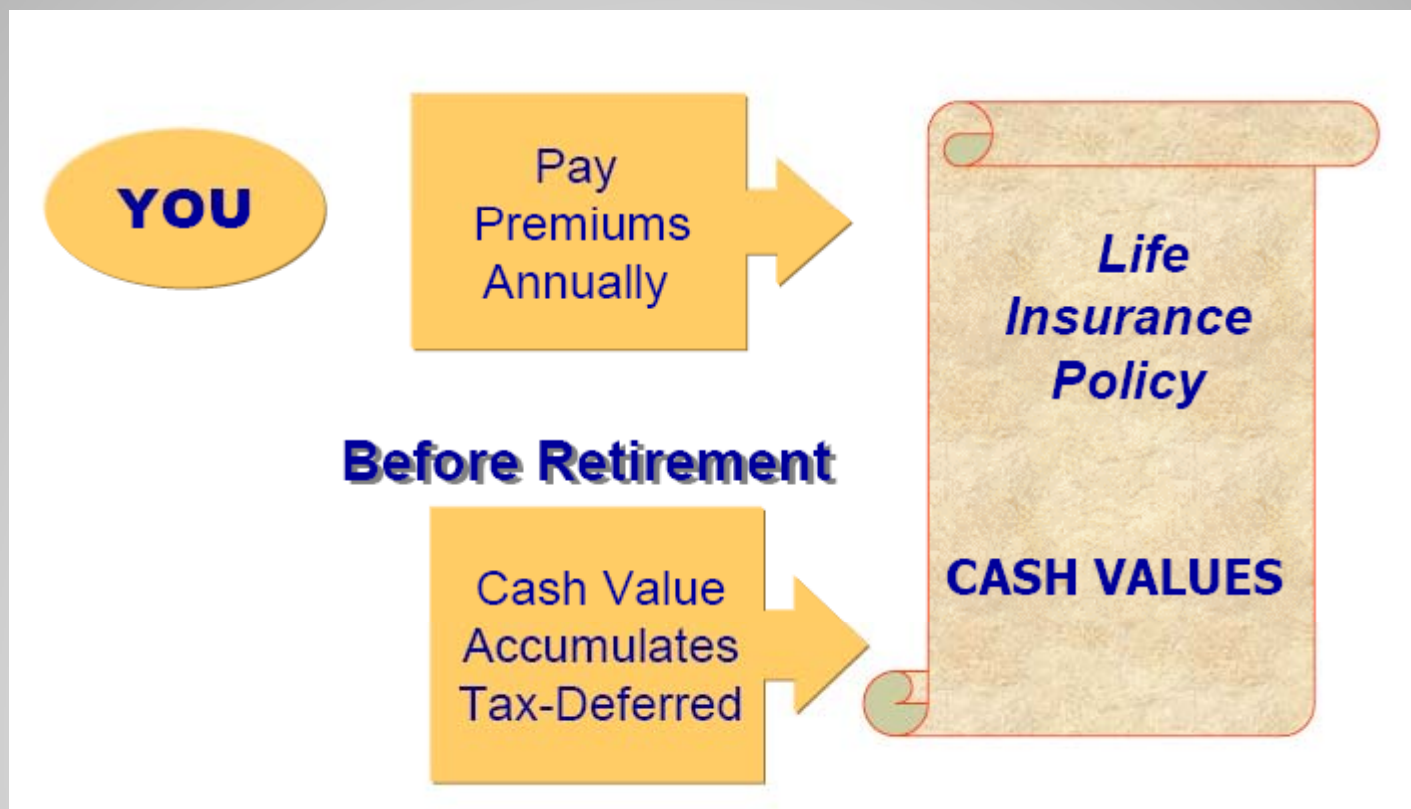
Retirement Using Life Insurance

Additional Benefits:

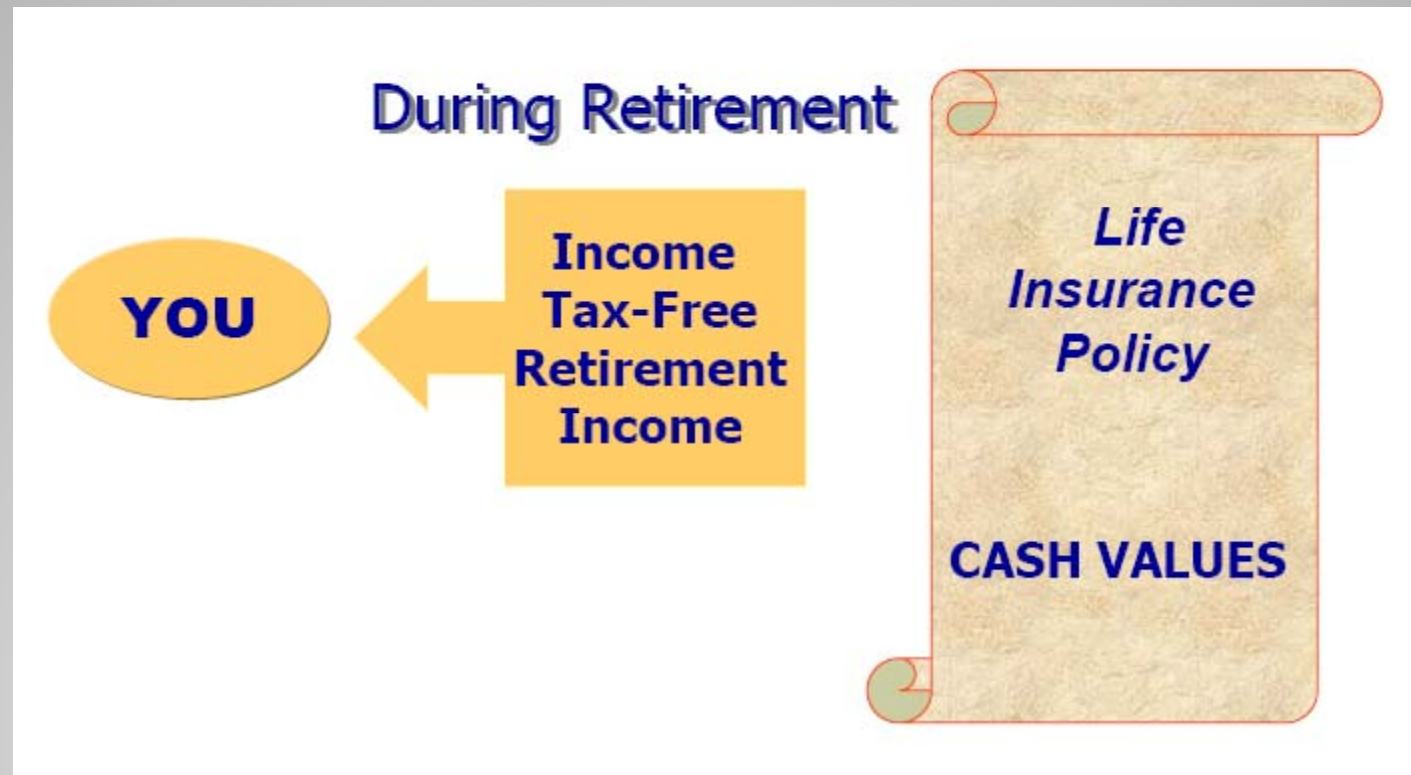
- ✓ **Unlimited and Flexible Premiums** (subject to IRC Sections 7702 and 7702A)
- ✓ **No Distribution Requirements or Penalties**
- ✓ **Complete Control**
- ✓ **Will not affect Social Security Benefits Retirement**



Retirement Using Life Insurance



Retirement Using Life Insurance



Retirement Using Life Insurance



*Life
Insurance
Policy*

At Your Death:

- ◆ Policy proceeds repay any outstanding policy loans
- ◆ All remaining death benefits are then paid to your beneficiary income-tax free

Index Universal Life Retirement funding

- Purchase Index Universal Life policy:
 - \$151,806 Base Death Benefit [Non-MEC]
 - DB Option – Return of Premium
 - Monthly Premium: \$250
 - Premiums paid to Age 65
- Tax-Free Withdrawals begin Age 65 for life.

- **Male, Age 35, Preferred Non-tobacco ¹ :**

<u>Monthly Premium</u>	<u>Retirement Distributions</u>	<u>Initial Death Benefit / Death Benefit Age 65</u>
\$250	\$23,303	\$151,806
		\$297,301

¹ North American Rapid Builder IUL, as of 10/12/10.

Index Universal Life Retirement funding

- Purchase Index Universal Life policy:
 Monthly Premium: \$1,000
 provides a \$176,366 Minimum Base Death Benefit
 Option – Return of Premium
 Premiums paid to Age 65
- Tax-Free Withdrawals begin Age 65 for life.

- **Male, Age 55, Preferred Non-tobacco ¹ :**

<u>Monthly Premium</u>	<u>Retirement Distributions</u>	<u>Initial Death Benefit / Death Benefit Age 65</u>
\$1,000	\$10,687	\$176,366
		\$296,366

¹ North American Rapid Builder IUL, as of 10/12/10.

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

