



**HOW COMPLICATED CAN LIFE INSURANCE BE?**

There are numerous life insurance products with many subtleties and addendums. Carriers are constantly changing their product offerings, fine tuning some and terminating others which can have a substantial impact on their economic performance. They constantly review and revise underwriting standards and qualifications.

There are many other complicating factors such as ownership strategy, premium design, duration matching of peak earning power and premium

**UNIQUE ATTRIBUTES OF LIFE INSURANCE**

The Death Benefit is free of income tax, excluded from probate & exempt from most state inheritance taxes. This makes it an essential tool for income replacement, debt obligations, estate planning and tax strategies. State agencies regulate Carriers, while reserve requirements assure payment of death benefit regardless of capital market corrections or fiscal crisis.

funding and credit worthiness of carriers.

**BROAD CATEGORIES OF LIFE INSURANCE PRODUCTS?**

There are four broad categories of life insurance products. Each category has a wide selection of products and options.

- Term
- Whole Life
- Universal Life
- Second to Die

**WHAT IS THE PROCESS?**

IDA has the expertise to assist financial professionals and their clients in navigating the life insurance underwriting process along with modeling policies for comparison purposes.

**PROPRIETARY UNDERWRITING TOOL**

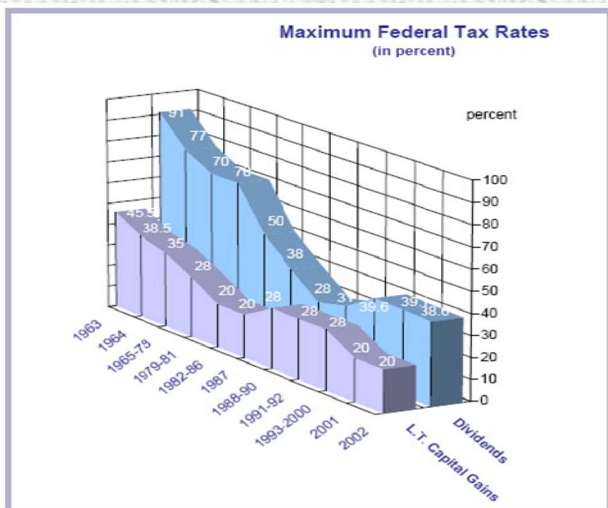
A proprietary longevity planning assessment process provides a customized longevity planning report to facilitate suitability of various life prod-

**LOOMING TAX INCREASES & IMPLICATIONS**

It's becoming increasingly evident that huge tax increases are inevitable. The graph below chronicles the history of personal and capital gains tax rates.

- Higher personal tax rate is inevitable
- Expiration of death tax cap

Since life insurance death benefit is exempt from taxes, its ideally suited to offset tax obligations which are paid with after tax dollars.



**UNDERWRITING TOOL—ADVANTAGES TO CLIENT**

- Access to tailored independent 3rd party planning report
- Custom mortality curve compared to peer group
- Report empowers client to validate recommendation
- Empowers the client to test for suitability

**WHY LIFE INSURANCE — TOP FOUR REASONS**

Think you don't need life insurance if you don't have kids? Think again. There are many reasons to have life insurance, even if you're not supporting a family.

**1. INCOME REPLACEMENT**

You and your significant other may have planned for a future based on two incomes – but what if one of you passes away unexpectedly? Life insurance can be used to replace the lost income so the survivor can maintain the same standard of living.

**MORTGAGE PROTECTION**

Whether you live by yourself, with a spouse or significant other, you may want to buy life insurance as mortgage protection. Think about it – you don't want the person you live with to be homeless if you die unexpectedly.

**COLLEGE FUNDING**

Life insurance can help fund a college education. If you die, the death benefit may be invested and potentially grow to the needed amount by the time your children reach college age. Alternatively, investing involves market risk, including risk of loss of principal.

**FINAL EXPENSES**

Funeral expenses or burial costs and medical bills can add up to a hefty amount. The last thing you want is for your loved ones to shoulder this extra burden.

**2. MEET ESTATE TAX OBLIGATIONS**

Estate tax will be reverting in 2011 to the old rate of 55 percent for estates worth more than \$1 million. Given the enormous deficit spending and the increase of the national debt to over \$12 trillion, it's inevitable that substantial tax increases are on their way.

**3. JUDGMENT PROOF—ASSET PROTECTION FEATURE**

Life Insurance can be protected from legal judgments and court seizure.

**4. ALTERNATIVE ASSET**

Life Insurance in the secondary market is viewed as a non-correlating asset compared to typical investments that correlate with markets.

**STRATEGIC OPTIONS OFFERED BY LIFE INSURANCE POLICY**

- Borrow against the cash value of your life insurance policy
- Cash out policy based on the available cash surrender value
- Check with life insurance company to determine if policy can be converted to a paid-up policy or if death benefit can be reduced to lower premium payments
- Use life insurance policy as collateral to secure a loan