

An Efficient and Cost-Effective Way to Provide for Insurance and Retirement Income Needs

Index Universal Life combines valuable life insurance protection with the opportunity to accumulate cash value for future needs, such as supplementing your retirement income. It can become an even more powerful solution by teaming an index Universal Life with a term life insurance policy for those individuals who want to plan ahead for retirement and fulfill a larger temporary life insurance need.

Let's take a quick look at an example to see how this strategy might benefit you

Chris is currently contributing to his employer-sponsored retirement savings accounts up to the 4% his company matches. He is also contributing to his Roth IRA up to the maximum contribution amount. He wants to live a comfortable retirement and would like to retire early, so he is saving as much as he can now and is looking for opportunities to maximize his retirement income potential.

Chris is a 40-year-old father of three who is currently in good health. In addition to his need for supplemental retirement savings, he also has a need for life insurance coverage to protect his children and spouse in case something should happen to him.

After his agent conducted a needs-analysis, the agent determined that Chris has a need for \$1 million in life insurance coverage, with the majority of his coverage being needed over the next 20 years while his income is still being used to support his family

- He has an additional \$500 a month of disposable income. Chris wants to use this money to provide his family with life insurance protection and to increase his future retirement income potential. He also wants to minimize the amount of his future income that will be taxable
- Chris wants as much of his premium as possible to go toward building his policy's accumulation value so that he can access the policy's cash value¹ down the road to supplement his retirement income. To accomplish his goals, he looks at a combination of temporary and permanent life insurance solutions. He chooses to:
 - Purchase an \$800,000 20-year Term Life Answers policy for \$56.29 per month
 - Contribute the remaining \$450 toward a \$200,000 Income Advantage IUL policy with an increasing death benefit.

After 20 years, Chris' kids are grown up and on their own, so he lets his term policy expire. Based on a 6% projected crediting rate, after 20 years, Chris' Indexed Universal Life policy is projected to have a death benefit of \$374,290 and a cash value of \$174,290. Chris decides to retire at age 60. Based on his projected cash value, Chris is able to start taking level distributions from his IUL policy in the amount of \$14,329 per year for the next 20 years. This income stream will be income tax free (as long as the policy stays in force). If he waits to start taking his income until age 65 (still stopping premiums at age 60), his projected distribution amount increases from \$14,329 to \$18,097 for 20 years. By purchasing certain Index Universal Life policies, you may also be eligible to receive additional benefits. Some Indexed Universal Life policies come with Accelerated Death Benefit Riders for Terminal and Chronic Illness - included at no

additional cost and with no additional underwriting. For Chronic Illness, you may be able to receive a benefit of up to \$1,000,000 or 80% of the specified face amount (whichever is less)