

Annuity Maximization

Maximizing Annuity Funds Using Life Insurance

Concept

Using life insurance to maximize annuity funds can provide your clients' beneficiaries with the most value, without worry of income or estate taxes.

Agent Profile

Financial professional who specializes in both life insurance and annuity sales, or who works in a insurance adviser role.

Client Profile

Typically age 45 to 85 and has an annuity that isn't needed for current income. Wants to leave money to heirs and/or access cash value down the road.

Product Options

- ▼ Custom Guarantee® UL - low-cost guaranteed death benefit
- ▼ Guarantee Builder® IUL - low-cost guaranteed death benefit with cash value growth potential
- ▼ Rapid Builder IUL® - access to early cash value growth potential

Key Selling Points

- ▼ The premium paid is immediately leveraged into a larger, potentially tax-free death benefit for heirs.
- ▼ Cash value grows tax-deferred with an IUL policy.
- ▼ Accelerated death benefits can offer your clients access to cash value in the event of an unexpected illness, subject to eligibility requirements.

Illustration Design Tips

- ▼ Maximize the death benefit with a product like Custom Guarantee for the client who is sure they don't need the money for anything other than to pass along to heirs.
- ▼ Consider a product with cash value accumulation for the client who still wants to know they can access funds if needed.
- ▼ Single premium is convenient but will cause the policy to be a MEC.² Although that is still a generally tax-free death benefit, gains within the policy may be taxable.
- ▼ Use an internal rate of return report or Insmark to present the value of the concept.



Right Words

"An annuity can serve two purposes: it can accumulate cash value tax-deferred, and it can tackle the risk of living longer than expected by creating a stream of payments for life. If you own an annuity, it is important to ask which (or both) of these uses you intend for it to serve. If, for instance, you only want to use your annuity to build value tax-deferred and eventually just pass that on to your heirs, you may want to consider life insurance. Life insurance provides an opportunity to use leverage to pass on greater assets to your heirs. Think of it as buying dollars for pennies, and therefore leaving behind a greater financial legacy."



Right Questions

- ▼ "Do you have an annuity that in your mind is already set aside for passing on to your heirs at your death?"
- ▼ "Are you sure you won't need your annuity funds in your lifetime?"
- ▼ "Would you like to explore how, by using the money in the annuity, you could multiply the amount of financial legacy you leave for your loved ones?"

Send



New Email Message

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Subject: **Follow-Up Email to Agent**

Hello _____,

It was nice talking with you today about using life insurance to help clients maximize their annuities. It sounds like this is a planning idea you're interested in for your clients, so I thought I'd send you some tips to help you get started.

Think about your current book of clients. The ones who could benefit from this concept will ideally be 45-85 years old, need life insurance, and have an annuity income stream that they don't plan to use. If they want to leave the funds to heirs, or if they think they might need the money down the road, then leveraging the annuity with life insurance could be very useful.

With life insurance, the premium paid is immediately leveraged into a larger, generally tax-free death benefit for heirs. Cash value can also be accessed in a tax-efficient way with an indexed universal life insurance policy.

Once you think of a client or two, send me their information and I can help you design a case for them.

Feel free to call me in the meantime with any questions!

Thanks,

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