

Retirement Planning

Protection Now, Freedom Later

Concept

Permanent life insurance provides death benefit protection during their working years, while the potential accumulated cash values can be accessed during retirement as supplemental income.

Agent Profile

Specializes in both life insurance and annuity sales, or works in a insurance adviser role.

Client Profile



Age 25 to 60, needs life insurance, and seeks additional income in retirement, even if 15+ years away. May also have met contribution limits for other plans, be risk-averse, seek a tax-advantaged solution or be concerned about future tax rates. Might be a small business owner.

Product Options

- ▼ **Builder IUL** - Death benefit protection and strong potential for cash value
- ▼ **Guarantee Builder IUL** - allows a lower face amount on minimum death benefit solves
- ▼ **Survivorship IUL** - may allow an income stream as long as one insured is alive

Key Selling Points

- ▼ Death benefit protection can offer financial stability during working years, plus a potential tax-free income stream at retirement through loans or withdrawals on policy cash value.¹
- ▼ Guarantee Builder can work for clients who decide to leave the insurance as a guaranteed death benefit for legacy building.
- ▼ Accelerated death benefits can provide access to cash value if the insured acquires a qualifying illness. Availability varies by state and product.
- ▼ The Automatic Distribution Option makes it easy for clients to access funds.
- ▼ North American's Protected Death Benefit feature⁶ provides protection against policy lapse due to excessive loans.
- ▼ Various loan options are available. North American often provides excellent illustrated performance when run at responsible loan rates.¹ See our Builder Series Marketing Guide (NAM-1275) for details.

Illustration Design Tips

- ▼ You can achieve a minimum death benefit by using the increasing death benefit option, then changing to level in the year following the last premium payment.
- ▼ Consider a level death benefit as an alternative illustration to show more death benefit protection during working years.
- ▼ If the illustrated rate is above 6%, a variable loan may result in the best illustrated solution.¹
- ▼ The Guideline Premium Test almost always works better than CVAT.
- ▼ Consider leaving room in the face amount for potential future premium growth.
- ▼ Show policy performance. Insmark can be used to compare life insurance to an alternative planning vehicle. An IRR can also be effective.
- ▼ Avoid MEC status to maintain the generally tax-free income stream.²



Right Words

"We tend to use solutions we hear about from other people in our lives or come to us prepackaged by our employer. Retirement planning is a broad area with a huge focus on pre-tax contributions leading to taxable benefits. For many people, there exists an additional strategy that uses after-tax contributions to create potentially tax-free benefits."



Right Questions

- ▼ "Do you think your need for life insurance will be less after retirement than it is prior to retirement? Will it ever be zero?"
- ▼ "Did you know life insurance had tax advantages 50 to 60 years before anyone thought of IRAs, 401(k)s or other retirement planning strategies?"
- ▼ "Do you think income tax rates will go down or up?"
- ▼ "What if you could establish a plan of your own to supplement the retirement planning strategies offered through your employer? Would your strategy have requirements for when you began distributions?"
- ▼ "What if you could implement a secondary retirement strategy that provided flexibility to help you time your distributions to minimize exposure to taxes?"
- ▼ "Would you be interested in a secondary retirement plan that included self-completion of funding if you were to die?"

Send



New Email Message

Cancel

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

Hello _____,

It was great talking to you [today/recently]. I wanted to follow up with some tips to help you get started with the retirement planning strategy.

The main idea behind this strategy is providing life insurance protection during working years, while building up potential cash value to help supplement retirement income. The cash value that's accumulated is generally income tax-free, so there's a great benefit to your clients.

First, find clients that need life insurance protection, plus additional stability in retirement. The age range is pretty much those starting their careers (20-somethings) to those nearing retirement (say, up to age 60). Small business owners are also a great fit for this concept.

You could also include people who:

- Have met contribution limits for other plans
- Have concerns about possible market losses or future tax rates
- Ideally have about 15 or more years before retirement

Be sure to think about not just clients, but also family members, neighbors, friends, or acquaintances that could fit this profile and pick out one or two of them.

Once you have a few people in mind, send me their information and I can help you design some cases for them, and even help prepare you to present it to them.

Give me a call with any questions!

Regards,

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Go to <http://nalife.northamericancompany.com/NA-RetirementPlanning>
to download the complete sales concept kit!