

Smart Money

Non-Qualified Money Alternatives

Concept

Smart money is money clients want to control and be able to access in times of need. Agents can position life insurance as one option for clients to store smart money. Be sure, though, to conduct a thorough needs-based analysis to determine if death benefit coverage is necessary before proceeding.

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 50 to 80 and has a need for life insurance, which often includes a desire to leave a legacy for heirs. Has funds that are not meeting current needs (may be in savings, annuities, or other vehicles) and desires the potential for cash value growth with limited exposure to cash value loss.

Key Selling Points

- ▼ Show clients the value of death benefit protection along with the potential to build cash value, while preserving access to as much cash value as possible.
- ▼ Clients' goals for smart money may be for long-term growth to benefit their families, but the funds might also represent assets that can be used for emergencies. Life insurance can provide a solution for both.
- ▼ Competitive interest rates and interest rate bonuses* can help provide the potential for compelling cash value growth.
- ▼ Accelerated death benefits may be available if the insured is diagnosed with a qualifying critical, chronic, or terminal illness.

Product Options

- ▼ Rapid Builder IUL with Waiver of Surrender Charge Option³
- ▼ Custom GrowthCV[®] with Waiver of Surrender Charge Option³

Illustration Design Tips

- ▼ Run a single-premium scenario to create a MEC, which has similar tax treatment to an annuity.²
- ▼ The CVAT provides the most compelling illustration by allowing a very low initial face amount, which maximizes the guaranteed column performance.
- ▼ Solving for the minimum death benefit results in a death benefit that matches the current-year minimum face amount for the premium.
- ▼ Make sure the client is aware of cost-of-insurance charges.



Right Words

"Leverage premium into a death benefit for heirs while retaining client control. The ability to change your mind or retain access to your funds is an attractive option for many clients."



Right Questions

- ▼ "Do you have money sitting in money markets or savings accounts? Do you consider this your 'smart money' but also need death benefit protection, plus potentially better returns?"
- ▼ "Do you want immediate access to your smart money, but would like to position it to capture the upside potential of the market without investing directly in the market?"
- ▼ "Do you have or are looking at an annuity, but are concerned about current cap rates?"
- ▼ "Do you want to give more to heirs but retain limited exposure to loss of principal?"

Send



New Email Message

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

Hello _____,

It was great talking to you [today/recently]. It sounds like you're interested in helping clients find an alternative or supplement to accounts like savings, money market accounts, or non-qualified annuities. I wanted to pass on some information about the Smart Money concept.

Smart money is money clients want to control and be able to access in times of need. You can position life insurance as one option for clients to store smart money. This concept is an opportunity to show clients the value of death benefit protection along with the potential to build cash value, while preserving access to as much cash value as possible.

Think about clients that are 50-80 years old, need life insurance, and have funds that might not be meeting their current needs or are susceptible to loss from market downturns.

Here are just a few benefits to this concept:

- Potentially tax-free death benefit to beneficiaries
- Upside potential of the stock market with downside protection
- Table shave feature from Table 3 to Standard*
- Accelerated death benefit options (subject to eligibility requirements, and availability varies by state)

Once you have a client in mind for this concept, I can help you design a case. If you have any questions, give me a call!

Thanks,

* When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is applied. This product's table shaving features allow certain substandard underwriting rates (known as "table ratings") to be improved to a "standard" rating. A "standard" rating generally indicates average health and involves a lower life insurance premium than do substandard ratings.

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

* Conditionally Guaranteed Interest Bonus – If we are crediting interest in excess of the guaranteed interest rate and your client's policy is in effect after the tenth policy anniversary, your client's policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate in years 11-20, increasing to 1.15% in years 21 and thereafter. The interest bonus percentages are not guaranteed and are subject to change; however, once a policy is issued, the percentage will not change.