

Life Insurance As A Retirement Plan



Retirement Goals:

Life insurance can offer much more than protection for loved ones. It can also help you achieve a variety of retirement goals including:

- 1 Filling in gaps in retirement savings**
That may result from events such as premature death or job loss.
- 2 Meeting late-retirement needs and legacy goals**
Such as leaving assets for your children or grandchildren.
- 3 Providing a comfortable income in retirement**
Even in the event of unplanned medical needs or other emergencies.



Life Insurance Categories

- Term Life Insurance** Provides economic death benefit for a specific time period.
- Protection-Focused Permanent Life Insurance** Offers a death benefit for an indefinite time period (it might offer some cash value, or simply a guaranteed death benefit.)
- Accumulation-focused Permanent Life Insurance** Designed to accumulate cash value that can be used for a variety of needs during your lifetime.

Filling in Retirement Savings Gaps

1

A retirement savings gap- that is, a period of time in which you're unable to save for the retirement you and your partner are striving for - can result from several factors including:



Is your family protected in the event of premature death?

Are you effectively using your business to help build your retirement dollars?

Would you have enough life insurance coverage if your employment were interrupted?



Term + Permanent
When your resources allow more flexibility, a combination of term insurance and permanent insurance may be appropriate.

Term
During your working years, term life insurance can help cover the risk of premature death.

Business Owned
Business owners have an additional option - Certain life insurance arrangements can allow your business to pay for and own permanent life insurance.

Income Needs During Retirement

2

What does it mean to have a comfortable retirement income? It all starts with knowing that your basic needs will be met and that a nest egg will be available for unplanned expenses. Whatever your expectations and resources, life insurance can be an important part of your retirement-income strategy.

Income - Tax Diversification

Will all of your retirement assets trigger income taxes, or will some of your assets be available on a tax-advantage basis?

Flexibility for Unexpected Needs

Will you have enough flexibility to meet unexpected expenses during retirement?

A Way to Balance Risk

Will your retirement portfolio allow you to balance the market and inflation risk?



Accumulation-focused permanent life insurance can provide funds to meet key needs during retirement - Including additional income, cash for unexpected expenses, or assets that can be accessed without triggering immediate income taxation.

Depending on your age and health, term insurance may continue to be a solution for **providing additional death benefit protection** in your early retirement years.

Meeting Late Retirement Needs & Legacy Goals

3

As you get deeper into retirement, your priorities will likely change. Perhaps you'll begin wondering what will happen if you or your partner passes away and you no longer have two Social Security income streams. Or maybe you'll start to focus on leaving a legacy for your children or grandchildren. Whatever your needs, life insurance could help address them

Social Security Loss

Do your plans as a married couple take into account that Social Security benefits are typically reduced after the death of the first spouse?

Legacy Goals

Does your retirement plan allow you the flexibility to leave something for your family or favorite charity while still enjoying your retirement assets?

Death Benefit Needs

Does your plan for retirement include a source of life insurance death benefits for your heirs that will remain affordable for as long as you live?



What does it mean to have a comfortable retirement income? It all starts with knowing that your basic needs will be met and that a nest egg will be available for unplanned expenses. Whatever your expectations and resources, life insurance can be an important part of your retirement-income strategy.

The death benefit from life insurance can play an important role in planning for the loss of second Social Security income and funding legacy goals.

Permanent life insurance, even with a modest death benefit, can also help you meet legacy goals, especially if term insurance becomes unavailable due to age or premium costs.

Important disclosures:
This material is intended to provide accurate and reliable information on the subjects covered. It is general in nature and the strategies suggested may not be suitable for everyone. It is not intended to provide specific tax, legal or other professional advice. You should seek advice from your tax and legal advisors regarding your individual situation. Life insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. For costs and complete details, see your licensed financial professional.