INVESTMENT GRADE CASH VALUE WHOLE LIFE INSURANCE BENEFITS

1. Life Insurance Death Benefit— The entire death benefit is payable, upon proof of death, once the first premium has been paid. The death benefit proceeds, on a privately owned (not business) policy pass to the beneficiary(s) income tax free. Exceptions to the death benefit payout within the first two years of the policy are: (1) suicide and (2) material misrepresentation of information gathered during the underwriting process.

2. Probate Avoidance— Death benefit proceeds avoid the probate process. This saves the beneficiary(s): legal fees and the time it takes to receive the proceeds. It also insures that the results of this disbursement are kept private by not being recorded in a succession file, which is accessible to anyone.

3. Terminal illness insurance— God forbid it were to happen, but if you became terminally ill, meaning that you had a note from a doctor saying you had 12 months or less to live, you could have up to 50% of your Death Benefit (as long as it is under $250,000) advanced to you. This choice would be yours to make if you were in that situation. If you did exercise that option, the insurance company would charge interest for the advanced monies.

4. Liability Insurance— The cash in your life insurance policy is protected against creditors. For example, that means if you lost a lawsuit, your creditors could not go after the cash in this policy.

5. Disability Insurance— If you become totally disabled, the insurance company is obligated to pay the premium up to age 65 (this benefit is not available for polices started after age 55).

6. Tax Deferred— Cash in this policy grows tax deferred. That means that you will not receive a 1099 for interest income like you currently receive from your Certificates of Deposit, regular interest-bearing savings, and investment accounts.

7. Tax Free— Cash can be withdrawn income tax free through policy loans or dividend withdrawals. Loans can be made through the insurance company with policy cash held as collateral. Loans can be taken from a bank on the death benefit (at or after age 62), with the death benefit as collateral. Loans may be paid back under your terms. Any unpaid loans and loan interest at the time of death

are subtracted from the death benefit. Dividends may be withdrawn income tax free, up to policy basis.

8. Guarantees— As long as premiums are paid, the death benefit is guaranteed. Cash accumulation in the policy is guaranteed to increase every year. Premiums are guaranteed not to go up. Although dividends are not guaranteed, once they are paid, they are stored in the policy (if you elect that option) and are guaranteed not to be reduced. These guarantees are invaluable. Very few investments offer any guarantees at all, and those that do, fail to come close to offering all of the benefits of an investment grade cash value whole life insurance policy.

9. Competitive Rate of Return— The total return on the policy will give you long term stock market like rates of return without the risk and volatility of the stock market.

10. Collateral— Cash and death benefits are well accepted and frequently used as forms of collateral.

11. Unlimited Contributions— Unlike a Qualified Retirement Plan (e.g. IRA, 401k), contribution amounts are not limited by the government.

12. Liquidity and Use— After the policy reaches its second anniversary, cash values are totally accessible to the owner. Compare this to the poor liquidity of a Qualified Retirement Plan, where monies can't be accessed until after age 59½ under current law.

13. Government Control— The government does not restrict the use of cash, like it does with a Qualified Retirement Plan account. Privately owned life insurance values are not even known by the government, unlike Qualified Retirement Plans, where the government knows exactly how much money you have—to the penny.

14. Estate Tax Free— There are times and methods where the death benefit can pass to the beneficiary(s) estate tax free. However, it is not always possible in all scenarios under current estate tax law.

15. Deductible Contributions— Premium payments are not deductible (unless held in a Qualified Retirement Plan, then collateralization, liquidity, and use are limited and government control is increased). However, policy cash can be repositioned to another place/investment that can generate an income tax deduction or credit.

16. Unlimited Investment Options— Because the policy cash is liquid after two years, this cash can be repositioned into any other investment. Walt Disney started Disneyland with cash from a combination of a bank loan and life insurance cash. What was the rate of return on that policy?