

Large case concepts and strategies

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Preferred Estate Transfer®

A permanent life insurance policy is one of the most tax-efficient ways to build and transfer an estate. The Preferred Estate Transfer concept shows clients that redirecting some of their money from a taxable investment to a life insurance policy can provide tax savings today and leave a larger estate for their beneficiaries than may be available through a taxable investment.

Corporate Preferred Estate Transfer

The Corporate Preferred Estate Transfer concept uses corporately-owned life insurance to help increase the size of the estate which a business owner leaves to beneficiaries. Reallocating corporate taxable investments into a permanent life insurance policy provides tax savings today and at death and can leave a larger estate than an alternative investment.

Preferred Retirement Solution®

The Preferred Retirement Solution concept shows how an individual can increase their retirement income by using the tax-advantaged growth within a permanent life insurance policy. With this concept, money is redirected from taxable investments to pay the premiums for a permanent life insurance policy. The cash surrender value of the policy is used as collateral for a bank loan to supplement the client's retirement income with tax-free dollars. At death, the life insurance proceeds are used to pay off the loan with the balance paid to the beneficiary.

Corporate Preferred Retirement Solution

This concept shows how a business owner can increase retirement income using life insurance. Corporate surplus is redirected from taxable investments to pay premiums for a permanent life insurance policy, so the corporation pays less tax today and in the future. The cash surrender value of a life insurance policy may be used as collateral to generate supplemental retirement income. At death, the corporation receives the life insurance proceeds tax-free. The corporation can then use some of the proceeds to repay the bank loan and pay out the balance to the capital dividend account. Alternatively, shareholders receive proceeds via the capital dividend account to pay off the loan and then keep any remaining balance.

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Immediate Financing Arrangements (IFAs)

The Immediate Financing Arrangement concept is a sophisticated financial planning concept that allows financially successful individuals and corporations to acquire life insurance cost-effectively without tying up available cash resources. With an IFA, the client buys a permanent life insurance policy to build significant cash values, then assigns the life insurance policy to their financial institution to secure a collateral loan. The loan proceeds are then reinvested into other assets by the client, for the purpose of producing income.

Alternative Funding Options

The Alternative Funding Option concept helps clients compare the costs of various funding options to show that life insurance can often be the most cost-effective way to help achieve their objectives.

Portfolio Enhancement Strategy

The Portfolio Enhancement Strategy shows that combining taxable investments and permanent life insurance may create a higher net estate value.