

Asset Based Insurance

Protect your clients wealth from poor health!



Topics for Review:

Why don't Americans plan?



45%₁

Almost half are unsure how.

- ❖ 28% say the cost of care prevents them from planning.
- ❖ Less than 33% are currently saving for it.

- ✓ **Stability Begins with Planning!**
- ✓ **National Average EHC Costs in 2014**
- ✓ **Ways to fund Asset Based Insurance**
 - Bank CD
 - RMD's
 - Savings Account (Joint Policy)
 - Goal is only Wealth Transfer!
 - Non-Qualified Annuity (1035 Exchange)
 - Pension Maximization Concept
 - Individual Retirement Annuity (IRA)
 - Life Insurance Policy with Cash Value (1035 Exchange)

¹ Source: longtermcare.gov

Stability Begins with Planning!



1. Maximize Income

Would you like to increase your retirement income? Many have repositioned a portion of their assets for increased income and quality of life.

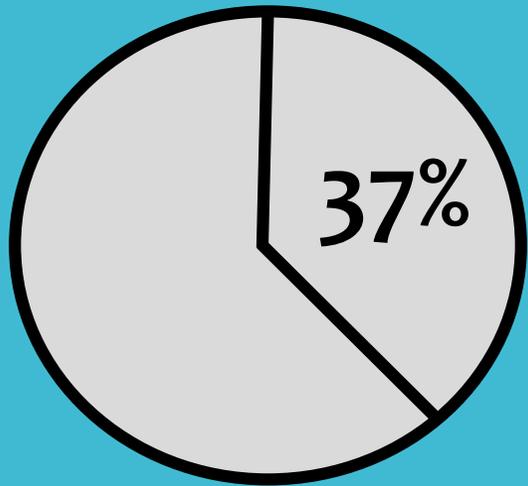
2. Address Extended Health Care

Where do you plan to receive Extended Health Care? How do you plan to pay for it? How do you plan to protect your family and loved ones?

3. Position Wealth Transfer Assets

Who do you want to leave money to? How much money do you want to reposition to honor loved ones and leave a legacy?

A reported 37% of caregivers quit their jobs or reduced work hours to care for someone 50+. These lost wages and benefits add to the personal LTC costs.³



³ Source: longtermcare.gov

**You may never need Extended Health Care, but if you did, how will it affect your family?
....And if you do need Extended Health Care, which asset(s) would you spend down first to pay for it?**



National Average Extended Health Care Costs in 2014



Assisted Living Facility

\$3,500 per month
\$42,000 per year



Nursing Home

Semi-Private Room
\$6,360 per month
\$76,320 per year

Home Health Aide

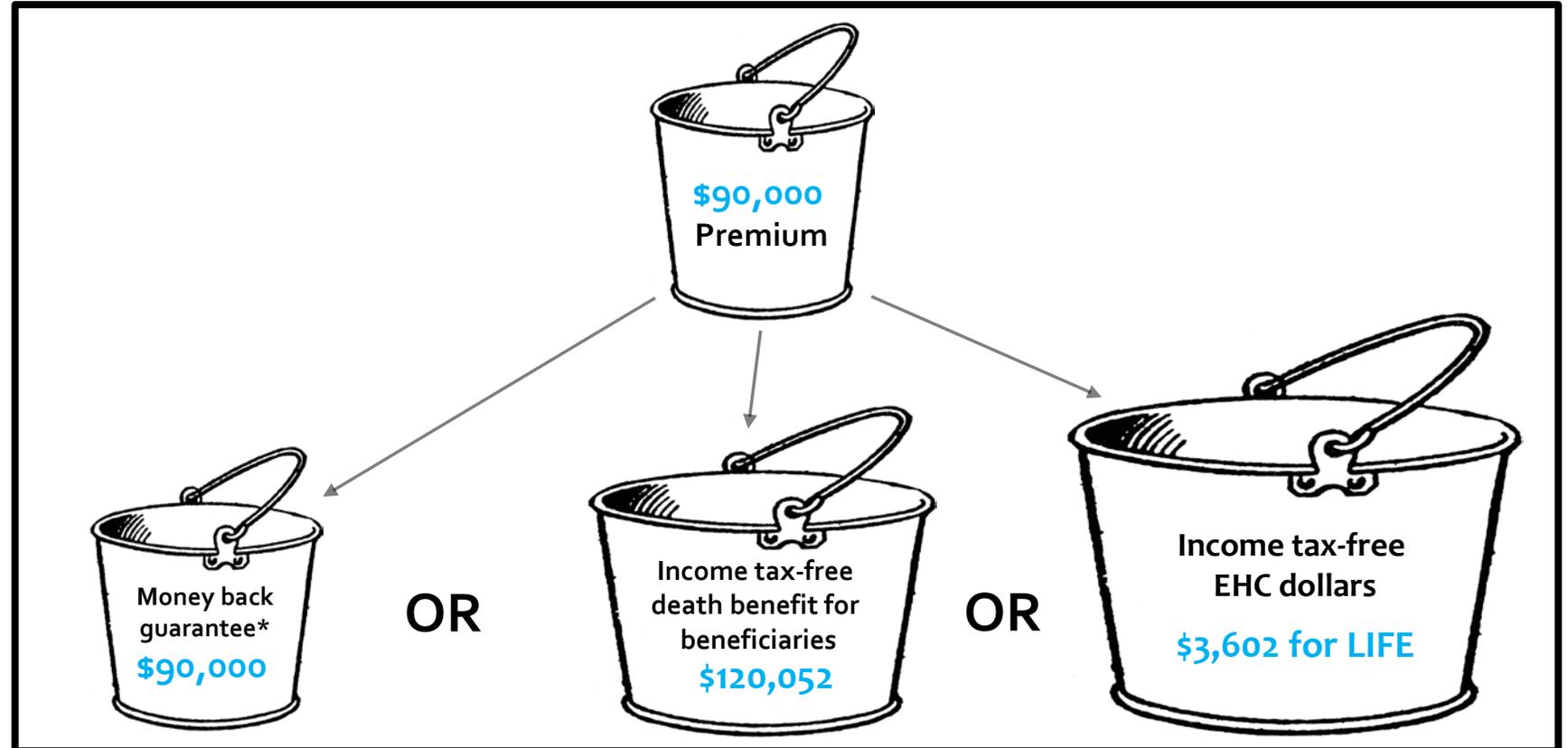
Private Room
\$7,200 per month
\$86,400 per year

\$20.00 per hour

Client #1 Female, Age 68, Preferred N/T

This client has \$90,000 sitting in a CD earning .5% annually. She is wanting to leave this money to her loved ones, if she does not need it for Extended Health Care.

We suggest she puts the money into an Asset Based Insurance policy that will provide leverage for Extended Health Care costs. If she does not require any Extended Health Care, a tax-free death benefit would be provided to her loved ones.

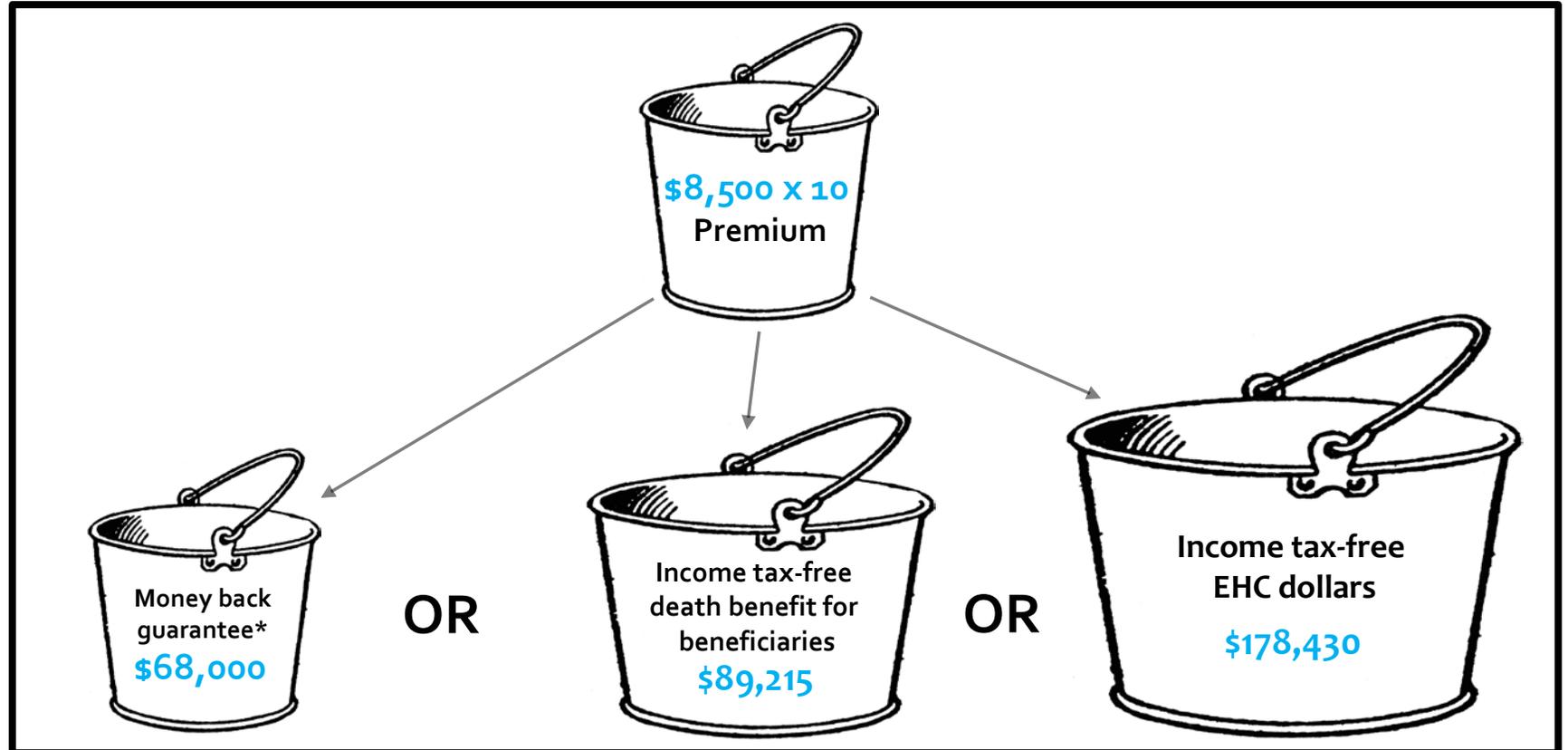


* Money back guarantee in accordance to each products specific guidelines.

Client #2 Male, Age 70, Standard N/T

This client has to begin taking his RMD's in the upcoming year and has no need for the funds due to successful retirement planning by his advisor. However, this client does not have any Extended Health Care coverage in place.

We suggest the client repositions his \$8,500 annual RMD into a 10-pay Asset Based Insurance policy.



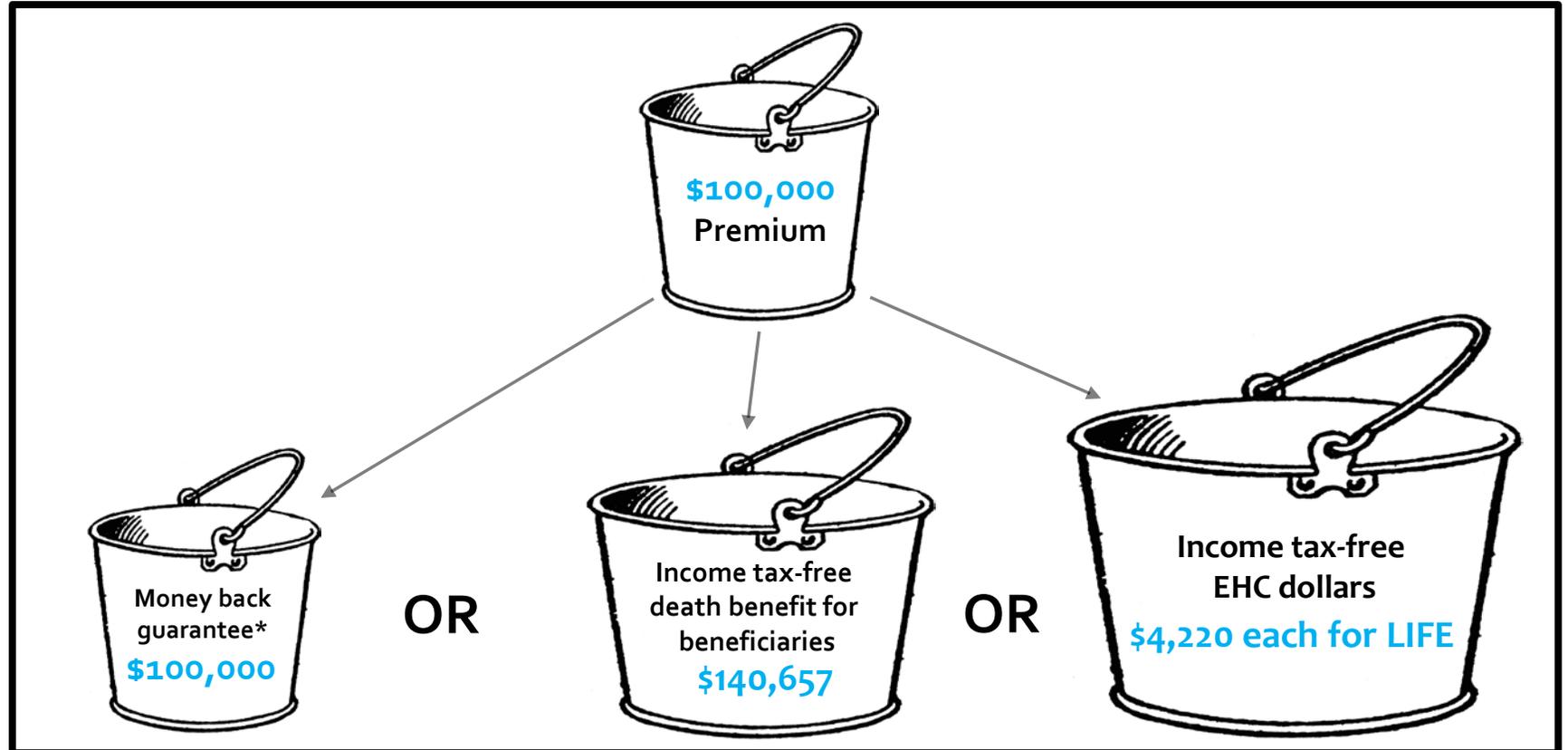
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Clients #3

Male, Age 62, Preferred N/T &
Female, Age 64, Preferred N/T

These clients have earmarked \$100,000 they have sitting in their savings account for their children if they do not need it for Extended Health Care.

We suggest they reposition that \$100,000 into an Asset Based Insurance policy that will provide them both with Extended Health Care coverage. If they do not need it for Extended Health Care, it will provide a Tax-Free death benefit to their children.

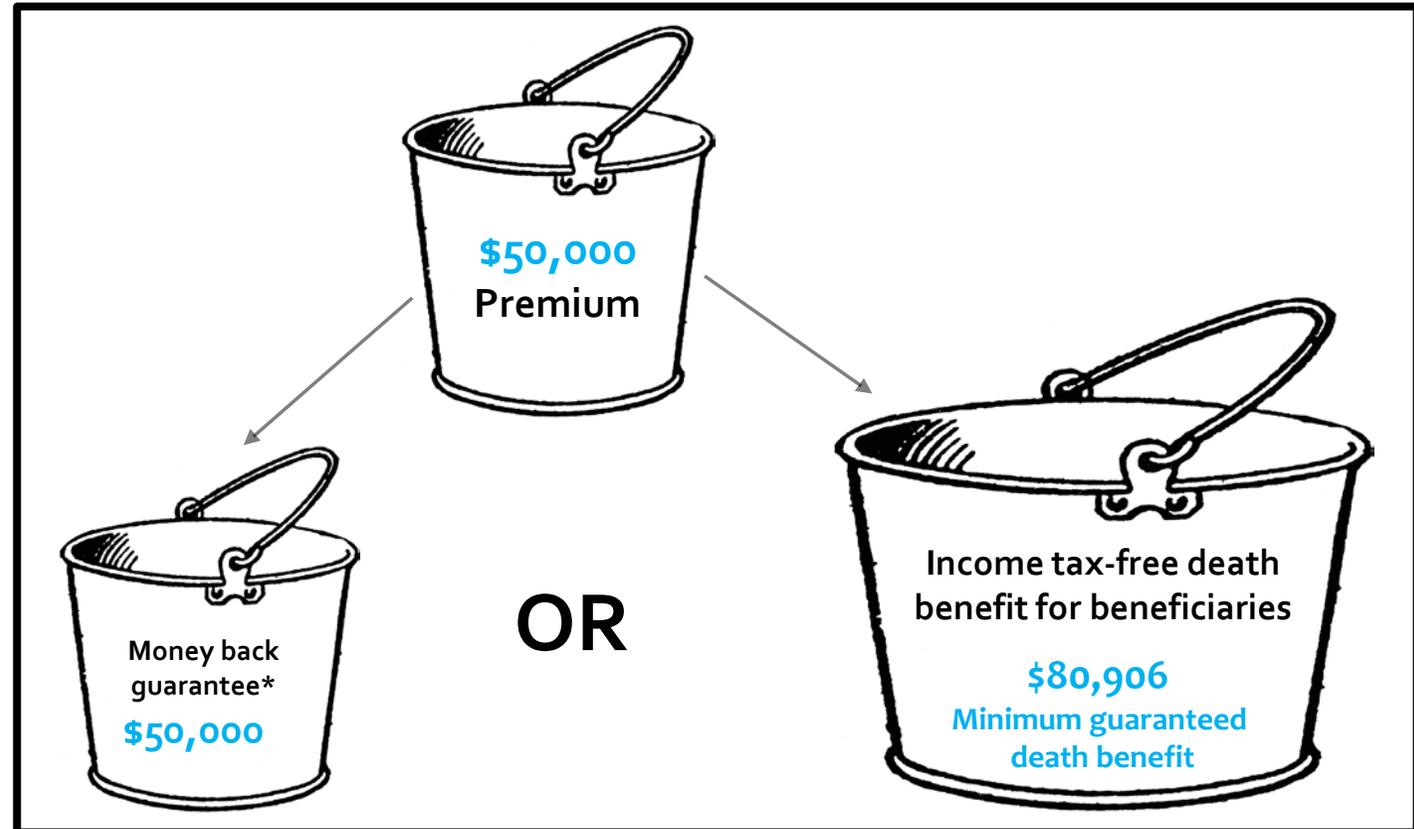


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Client #4 Female, Age 70, Standard N/T

This client already has Extended Health Care coverage in place and wants to leave a CD worth \$50,000 to her loved ones when she passes.

We suggest she puts the \$50,000 into an Asset Based Insurance policy that will provide a tax-free death benefit to her loved ones, worth much more than the CD could produce.



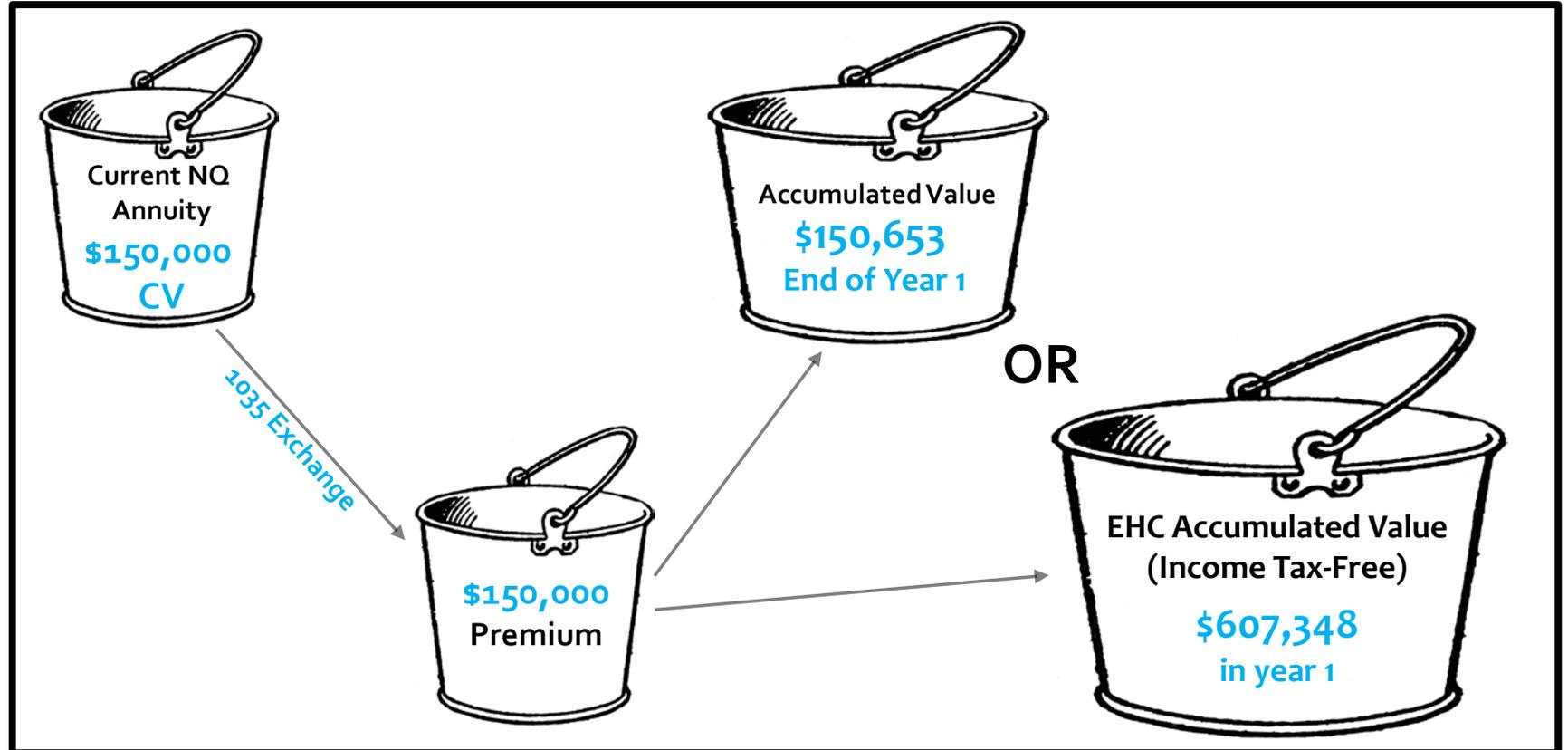
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Client #5 Male, Age 65, Preferred N/T

Remember that the Pension Protection Act allows for income tax-free withdrawals from specially designed non-qualified annuities to fund EHC expenses, regardless of cost basis.

This client has a Non-Qualified Annuity that has a \$75,000 cost basis and \$75,000 of deferred growth/gain, for a total cash value of \$150,000. He plans to keep this annuity to avoid being a financial burden on his children should he need Extended Health Care.

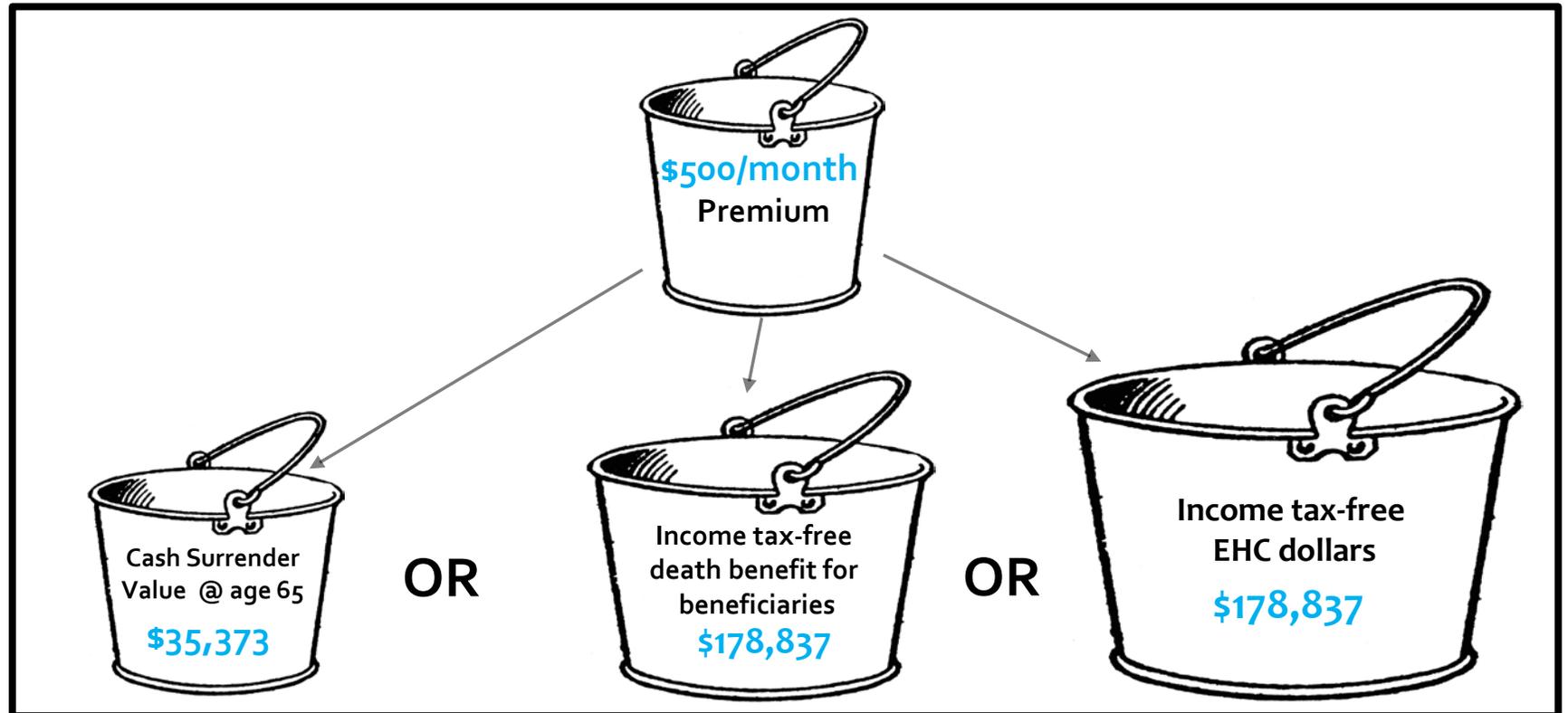
We suggest he does a 1035 exchange into an Asset Based Annuity product that will provide substantial leverage for Extended Health Care costs if he should need care in the future.



Client #6 Male, Age 57, Preferred N/T

This client is faced with the option of taking the Life Only Income option or Joint and Survivor Income option. His advisor has done a great job in preparing him for his retirement years.

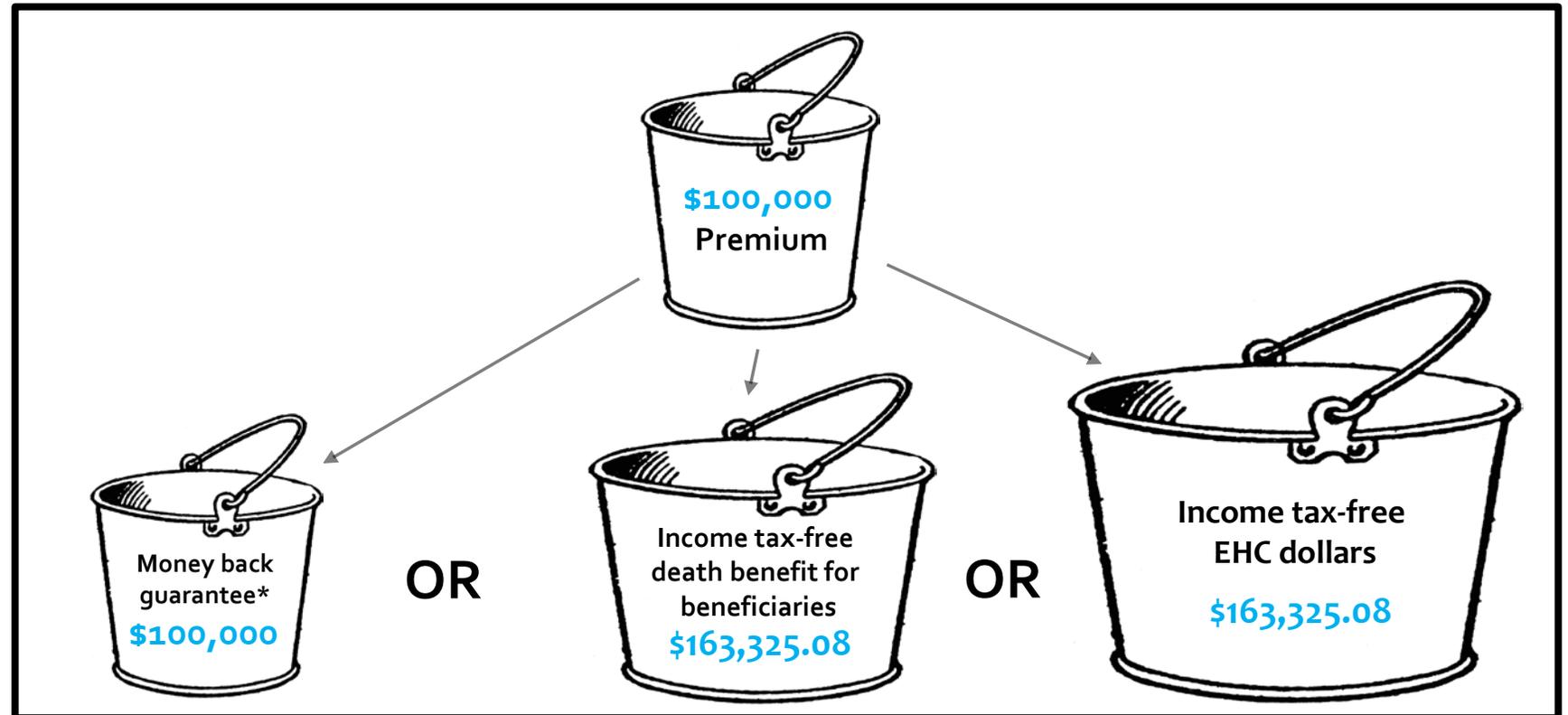
We suggest this client take the Life Only Income option and places that difference between the two options (\$500 monthly) into an Asset Based Insurance policy that will provide a death benefit to his wife when he passes away, but it will also provide Extended Health Care benefits if he should need them while he is alive.



Client #7 Female, Age 66, Preferred N/T

This client has \$100,000 in a qualified account (IRA). She plans to use this money for future medical/healthcare needs.

We suggest she put the \$100,000 of qualified funds into an Asset Based Insurance product as a single premium. The \$100,000 will go into a product that has 2 components. The \$100,000 will fund a SPIA that will pay the Asset Based Insurance policy over a 20 year period. The taxes on the qualified fund will be spread out over that 20 year period. We can take care of both steps with one product!

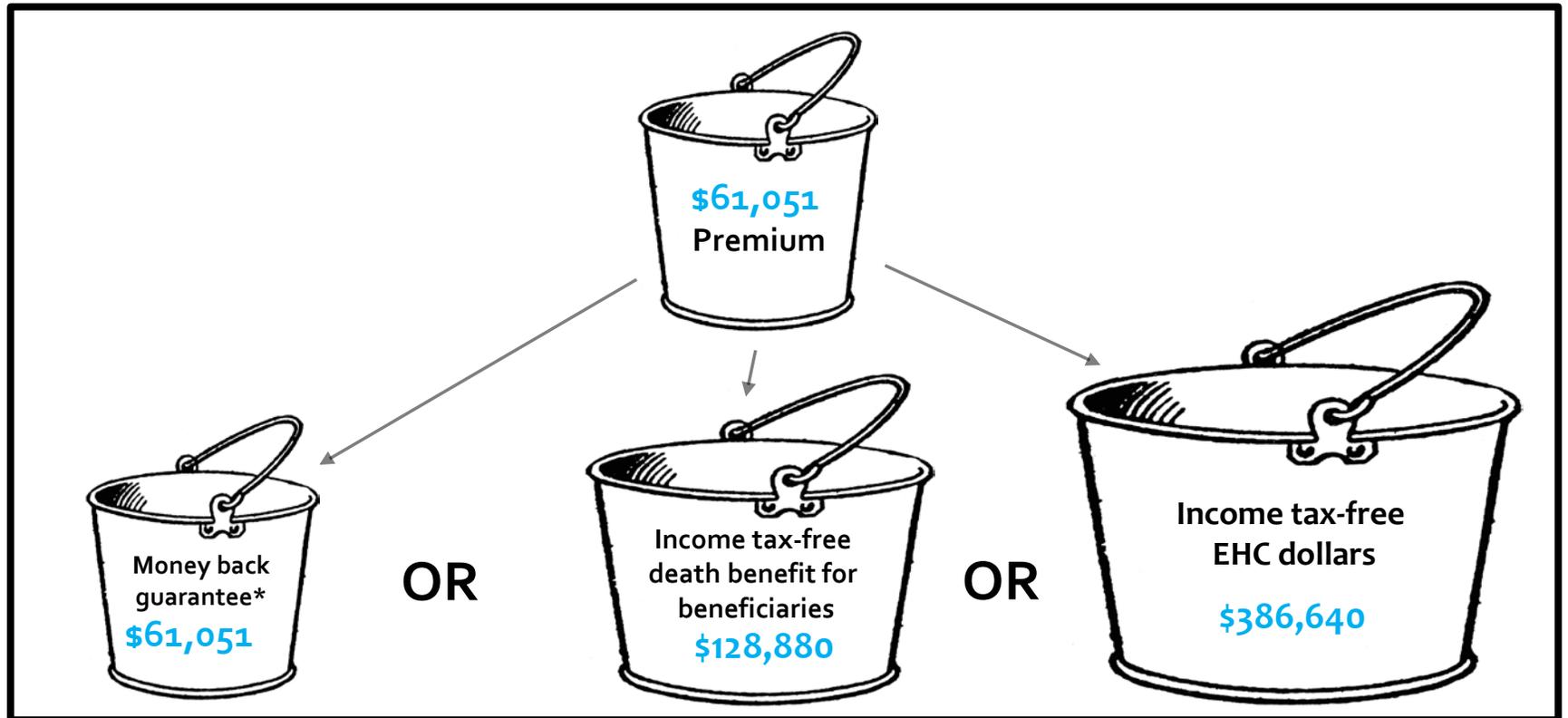


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Client #8 Male, Age 55, Standard N/T

This client has a life insurance policy that has \$61,051 of cash value within it. His current death benefit is \$132,000 which is guaranteed to age 89.

We suggest he does a 1035 exchange into an Asset Based Insurance product that will provide him with a guaranteed death benefit to age 120 and it will also provide him with tremendous leverage for Extended Health Care costs. One product that takes care of two needs!



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Conclusion:

- ✓ Many clients may not be aware of the potential costs for EHC.
- ✓ There is a high probability that your clients will need some type of EHC, during their lifetimes.
- ✓ There are many different ways to fund Asset Based Insurance products.
- ✓ You are REPOSITIONING their Asset(s), not spending them.
- ✓ The policy is an ASSET in their portfolio.

You can have everything in life you want, if you will just help enough other people get what they want.

- Zig Ziglar

Contact us today!

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