

TEG Federal Credit Union

Estate Planning Uses of Life Insurance

January 26, 2022



Presented by:
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Securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC.
Financial planning offered through LEXCO Wealth Management, Inc., a Registered Investment Advisor and a separate entity
from LPL Financial.

The Role of Life Insurance in Estate Planning

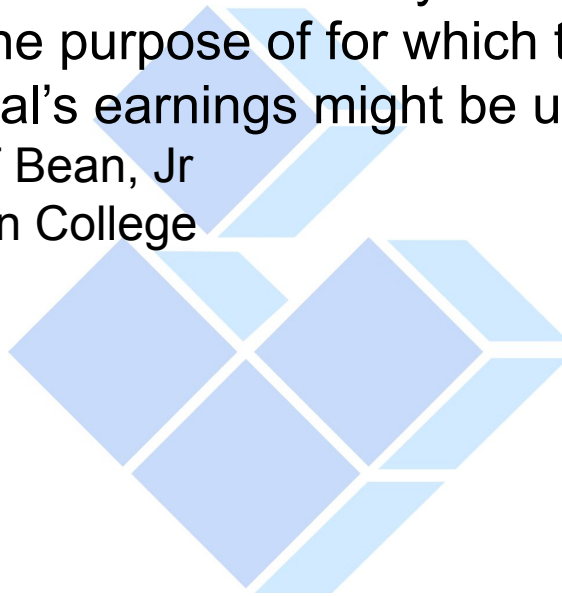
Why I personally educated myself about Life Insurance... 20 years ago, former client inspired me. She leaned across the desk in her overalls and said, “Anyone with real wealth knows the importance of life insurance”

Challenge

“Change your view of life insurance!”

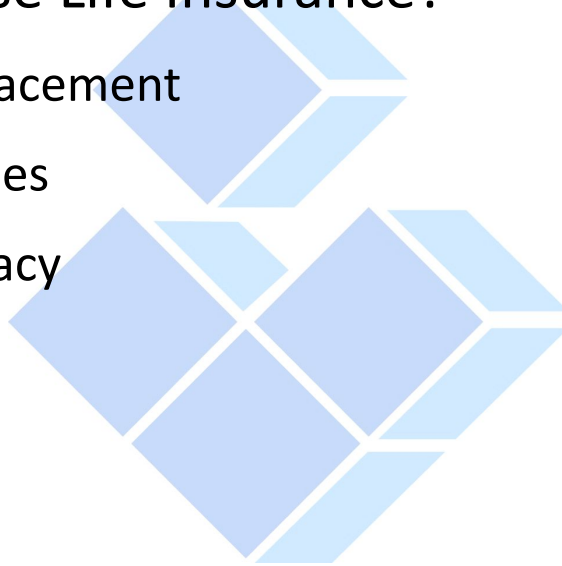
Expense vs Estate Creation

“The financial value of any human life
lies in the purpose of for which the
individual’s earnings might be used”
Burton T Bean, Jr
American College



Why Purchase Life Insurance?

- Income replacement
- Final Expenses
- Tax free Legacy



Estate Planning Strategies using Life Insurance

1. IRA spend down: use net RMD to fund life policy exp: trust owned 2nd to die Chasse policy
2. Parent insure adult children use cash value policy expecting to close out when grandchildren become college age.
3. Lifestyle Protection: Create Long Term Care dollars: Life Insurance Chasse with early access to death benefit for ongoing care



Nationwide YourLife CareMatters®

LIFE INSURANCE WITH
Cash Indemnity Long-term Care Benefits

Dear Female Client,

Thank you for considering Nationwide® for your long-term care planning needs. The proposal you're about to see was customized for you based on the following information:

Long-term care scenario

Female Client (Female, 68, Couple Nontobacco, New York)

Premium received	\$100,000.00
Return of premium Value	Yes ¹
Total Long-term care benefit	\$312,999.18
Maximum Monthly ADBQS Benefit	\$4,347.21
Maximum Monthly LTCEB Benefit	\$4,347.21
LTC specified benefit period	6 years
Inflation protection option	declined
Specified amount	\$104,333.06
Guaranteed minimum death benefit	\$10,433.31
Is Sales Proposal a MEC?	Yes

¹ If the policy is fully surrendered, the Cash Surrender Value is guaranteed to be at least equal to the Return of Premium Value.

Distinct product features

Family care	Yes
Guaranteed cash value	Yes

This policy covers care for a wide range of long-term care services and pays the monthly benefit directly to you, the policy owner. Nationwide YourLife CareMatters was designed to put you in control of your future long-term care choices. And our streamlined underwriting and claims processes mean less hassle every step of the way.

Please review the enclosed information with your insurance professional to determine if Nationwide YourLife CareMatters is right for you.

Thank you.

***This is a life insurance policy with a rider that accelerates the death benefit for qualified long-term care services. This is not a health insurance policy and is not subject to the minimum requirements of New York Law pertaining to Long-Term Care Insurance, does not qualify for the New York State Long Term Care Partnership Program and is not a Medicare supplement policy. The policy is intended to be a qualified long-term care insurance contract for federal tax law only. Receipt of the accelerated benefits may affect eligibility for public assistance programs and may be taxable.**

FLM-0876NY Form #: NWLA-465-NY.2 Issued in: New York Software Version: 4.28.0.4 - BD Prepared on: 1/25/2022



Nationwide YourLife CareMatters®

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Choice, control and flexibility - it's all in your hands.

Nationwide YourLife CareMatters® is a fixed premium universal life insurance policy that provides LTC coverage along with a death benefit, giving you a flexible way to plan for the future.

With it, your premiums are guaranteed never to increase, and you'll know the exact amount of monthly long-term care benefit available to you.

Nationwide YourLife CareMatters is a cash indemnity plan -- meaning you can elect to have an amount up to the maximum monthly LTC benefit amount paid directly to you (the policy owner), and once a claim is approved, there is no need to submit monthly bills or receipts.

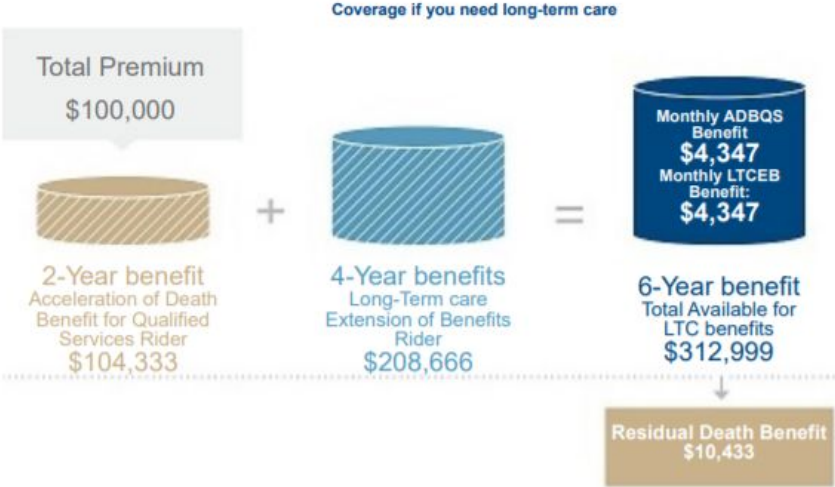
Nationwide YourLife CareMatters offers you:

CHOICE	CONTROL	FLEXIBILITY
Select from three convenient premium schedules : <ul style="list-style-type: none">- Pay one time (single-pay)- Pay annually or monthly for five years- Pay annually or monthly for ten years	Receive benefits in the form of: <ul style="list-style-type: none">- LTC benefits- Death benefits to your beneficiaries- or the Return of Premium Value	Helps cover today's qualified long-term care services as well as those that will be developed in the future.
Choose the care provider you're most comfortable with - professional care giver or family member	Decide how benefits are used - no monthly bills or receipts to submit after a claim is approved ²	Use only what you need of the monthly benefit and save the rest for later
Decide whether inflation protection is right for your policy	Pass on a guaranteed residual death benefit to your beneficiaries even if you use the entire LTC benefit ²	Access your policy's guaranteed cash value , if necessary



Nationwide YourLife CareMatters®
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How the product works³



By allocating \$100,000 of your assets to pay the premium for your Nationwide YourLife CareMatters policy, you'll have \$312,999 in total LTC benefits.

Once the insured qualifies for LTC benefits, Max Monthly ADBQS Benefit payments of \$4,347 will be paid until the total benefits paid is equal to the specified amount of \$104,333 and then Max Monthly LTCEB Benefit payments of \$4,347 will be paid until the benefits paid is equal to \$208,666. Payments are made directly to the policy owner.

Even if you have collected all of the LTC benefits, a guaranteed minimum death benefit of \$10,433 is paid to your beneficiary.

And if you never need LTC, you can either:

- Keep your policy and your beneficiary will receive a death benefit of \$106,495 (minus any Loans or Partial Surrenders you may have taken from the policy) **OR**
- Access your policy's Cash Surrender Value. See the Return of Premium Value definition in the Narrative Summary.



Nationwide YourLife CareMatters®

**LIFE INSURANCE WITH
Cash Indemnity Long-term Care Benefits**

Prepared For: Female Client // Female/68/Couple Non-Tobacco
IRC Section 7702: Cash Value Accumulation Test
Total LTC Benefit: \$312,999.18
Maximum Monthly ADBQS Benefit (Year 1): \$4,347.21
Maximum Monthly LTCEB Benefit: \$4,347.21
Scheduled Premium: \$10,000.00 Annual
LTC Specified Benefit Period: 6 years
Specified Amount: \$104,333.06
Premium Payment Period: 10-Pay
Guaranteed Minimum Death Benefit: \$10,433
Inflation Protection Option: Declined

Tabular Detail

		All Values and Benefits Guaranteed Guaranteed 2.00% Interest Rate				Benefits will be paid from either the ADBQS Rider or LTCEB Rider ⁴		
End of Year	Age	Scheduled Premium	Cash Value	Net Surrender Value	Net Death Benefit	Total LTC Benefit	Max Monthly ADBQS Benefit ⁴	Max Monthly LTCEB Benefit ⁵
1	69	10,000	8,000	8,000	104,333	312,999	4,347	4,347
2	70	10,000	16,000	16,000	104,333	312,999	4,347	4,347
3	71	10,000	24,000	24,000	104,333	312,999	4,347	4,347
4	72	10,000	32,000	32,000	104,333	312,999	4,347	4,347
5	73	10,000	40,000	40,000	104,333	312,999	4,347	4,347
Total		50,000						
6	74	10,000	48,000	48,000	104,333	312,999	4,347	4,347
7	75	10,000	56,000	56,000	104,333	312,999	4,347	4,347
8	76	10,000	64,000	64,000	104,333	312,999	4,347	4,347
9	77	10,000	72,000	72,000	113,688	312,999	4,347	4,347
10	78	10,000	80,000	80,000	123,040	312,999	4,347	4,347
Total		100,000						
11	79	0	95,000	95,000	142,500	312,999	4,347	4,347
12	80	0	95,000	95,000	139,080	312,999	4,347	4,347
13	81	0	95,000	95,000	135,755	312,999	4,347	4,347
14	82	0	95,000	95,000	132,715	312,999	4,347	4,347
15	83	0	95,000	95,000	129,865	312,999	4,347	4,347
Total		100,000						
16	84	0	95,000	95,000	127,110	312,999	4,347	4,347
17	85	0	95,000	95,000	124,450	312,999	4,347	4,347
18	86	0	95,000	95,000	122,075	312,999	4,347	4,347
19	87	0	95,000	95,000	119,890	312,999	4,347	4,347
20	88	0	95,000	95,000	117,800	312,999	4,347	4,347
Total		100,000						

Based on Premium Outlay, coverage would continue to:

Insured's attained age: 120



It's Not What We Do... It's Why We Do It.



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 Specified Amount: \$104,333.06
 Premium Payment Period: 10-Pay
 Guaranteed Minimum Death Benefit: \$10,433
 Inflation Protection Option: Declined

Tabular Detail

			All Values and Benefits Guaranteed Guaranteed 2.00% Interest Rate			Benefits will be paid from either the ADBQS Rider or LTCEB Rider*		
End of Year	Age	Scheduled Premium	Cash Value	Net Surrender Value	Net Death Benefit	Total LTC Benefit	Max Monthly ADBQS Benefit*	Max Monthly LTCEB Benefit*
21	89	0	95,000	95,000	115,805	312,999	4,347	4,347
22	90	0	95,000	95,000	114,000	312,999	4,347	4,347
23	91	0	95,000	95,000	112,385	312,999	4,347	4,347
24	92	0	95,000	95,000	110,770	312,999	4,347	4,347
25	93	0	95,000	95,000	109,345	312,999	4,347	4,347
Total		100,000						
26	94	0	95,000	95,000	107,920	312,999	4,347	4,347
27	95	0	95,000	95,000	106,495	312,999	4,347	4,347
28	96	0	95,000	95,000	105,070	312,999	4,347	4,347
29	97	0	95,000	95,000	104,333	312,999	4,347	4,347
30	98	0	95,434	95,434	104,333	312,999	4,347	4,347
Total		100,000						
31	99	0	96,117	96,117	104,333	312,999	4,347	4,347
32	100	0	96,706	96,706	104,333	312,999	4,347	4,347
33	101	0	97,211	97,211	104,333	312,999	4,347	4,347
34	102	0	97,661	97,661	104,333	312,999	4,347	4,347
35	103	0	98,064	98,064	104,333	312,999	4,347	4,347
Total		100,000						
36	104	0	98,427	98,427	104,333	312,999	4,347	4,347
37	105	0	98,762	98,762	104,333	312,999	4,347	4,347
38	106	0	99,094	99,094	104,333	312,999	4,347	4,347
39	107	0	99,435	99,435	104,333	312,999	4,347	4,347
40	108	0	99,766	99,766	104,333	312,999	4,347	4,347
Total		100,000						

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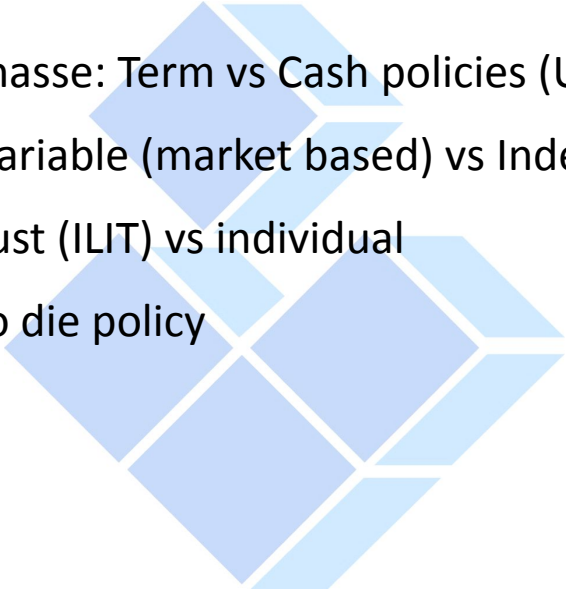
Designing your Plan

Policy Type: Chasse: Term vs Cash policies (UL, VUL, VIUL)

Fixed rate vs Variable (market based) vs Index

Ownership: trust (ILIT) vs individual

Insured: 2nd to die policy



Questions

