

SOLUTION SNAPSHOT TAX CONSIDERATIONS



What can be achieved...

- Male, Age 73 & Female, Age 72
- Goal: Determine the best path for heavily loaned policies while maintaining a second-to-die policy for estate taxes. Avoid surrendering the policies so as not to incur taxes on gains.
- Existing Coverage:
 - \$5M (with a \$1.4M loan) second-to-die policy
 - \$4M (with a \$500K loan) cumulative death benefit over 5 policies on Male
- Wrote \$5M of second-to-die coverage plus \$3M of individual coverage on Male to replace all existing policies.
- The loans were rolled over to the new policies with lower interest rates (5.05%-8.00% in the existing policies versus 0.25% net cost in the new policies). Illustrated a plan to pay off the loan for the new second-to-die policy.

OPPORTUNITY



...with the right tools...

- Healthy clients, optimal ages 50-75
- Policy loans on existing coverage that are subject to high interest rates
- A desire to pay off existing policy loans to make the death benefit whole for heirs to pay estate taxes
- Gains inside a policy that would create a taxable event if the policy were to be surrendered to pay off policy loans
- Interest in exchanging an existing policy that has a high interest rate for a new policy with a lower interest rate before taking any policy loans
- Policies at risk of becoming a MEC because the inforce ledger shows larger required premiums and loan interest than planned

IDENTIFIERS



...and the right team.

- Determine if any of your clients have an insurance need, based on the Identifiers outlined
- If you identify a potential opportunity to help your clients reach their goals, contact us to review the options

RAYMOND C. NASH
CEO & Principal



rnash@heirmark.com



(330) 801-0061



HEIRMARK.com



NEXT STEPS

HEIRMARK, LTD is independently owned and operated. Securities and investment advisory services offered through M Holdings Securities, Inc. a registered Broker/Dealer and Investment Advisor, Member FINRA/SIPC.

Examples are for illustrative purposes only and not intended to represent or guarantee that anyone will achieve the same or similar results. The tax and legal references attached herein are designed to provide accurate and authoritative information with regard to the subject matter covered and are provided with the understanding that Heirmark is not engaged in rendering tax, legal, or actuarial services. If tax, legal, or actuarial advice is required, you should consult your accountant, attorney, or actuary. Heirmark does not replace those advisors.

HEIRMARK.COM



M Financial Group
MEMBER FIRM