



# LIFE INSURANCE & LEGACY BUILDING: PROTECT WHAT MATTERS MOST

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# PRESENTERS

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# AGENDA

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- Start with the end in mind
  - Goals
  - Concerns
- What to leave behind as legacy assets
- Why consider insurance
- Some Ideas To Consider
  - Excess Income
  - Life Insurance with Living Benefits
  - IRA Dollars
- Questions



# DISCLAIMER

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- Steve Walker, E4 Insurance Services, and North Risk Partners do not give legal or tax advice. Please consult with your legal or tax experts on your specific situation.
- The information presented throughout this presentation are meant to be educational and not personalized for any individuals. Reach out to your Risk Advisor at North Risk Partners to discuss you individual needs.

# START WITH THE END IN MIND

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- What does LEAVING A LEGACY mean to you?
- Start with the end in mind.
- Does your current PLAN match your GOALS?
  - Do you have an amount you want to leave behind?
  - Do you have a need to equalize what you leave behind to kids?
  - Do you have a charity, church, or other organization you want to leave to?
- Does your current PLAN address your CONCERNS?
  - What if I run out of assets?
  - What if I have an extended care event?
  - Will the government get some of my money?

# WHAT KIND OF ASSETS?

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- Personal Property
- Real Estate or Business Interests
- Cash
- Investment Accounts
  - Non-Qualified Dollars
  - Qualified Dollars
- Life Insurance

# WHY LIFE INSURANCE?

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- **Leverage**

- As soon as the policy is placed in-force, the policy is worth the entire death benefit

- **Tax Efficiency**

- Premium is paid with after-tax dollars, so the death benefit is Income Tax-Free.
- If structured appropriately, the death benefit can also avoid Estate Tax.

- **Predictability**

- There is value in knowing what the value is going to be when the time comes for the benefit to be paid out.

# LEAVE A LEVERAGED LEGACY

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- Larry and Susan are 55-years-old and plan to work until age 65
- They have excess disposable income, and their retirement savings is in good position.
- Larry and Susan have 2 children, and they would like to make sure that they pass on at least \$500,000 to each of them



# LEAVE A LEVERAGED LEGACY

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- They could leave cash
  - They could leave investment dollars
  - They could take some of their disposable income while still working and have their legacy planned for
    - \$24,000 annual premium from age 55-65 (while still working) can purchase \$1,000,000 of life insurance when the second spouse passes away. (Leaving \$1MM and only costs \$240k)
    - Income-Tax Free
- \*\*Assumes Preferred Non-Tobacco rates on both spouses on a no-lapse guaranteed 2<sup>nd</sup> to die life insurance policy.

# LIFE INSURANCE WITH LIVING BENEFITS

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- Katie is a 60-year-old widow with 2 children
- She has \$2,000,000 in retirement savings, and wants to be able to leave her kids with an inheritance when she passes away since that was important to her and her late husband.
- Katie is also nervous that if she needs long-term care, her savings could get drained.



# LIFE INSURANCE WITH LIVING BENEFITS

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- Katie decides to take a little less than 1% of her retirement portfolio and redirect that to a life insurance policy with a Long-Term Care Rider.
- Assuming positive net growth in her portfolio, she can know that the life insurance will be able to either:
  - Pass on to her children
  - Be available to utilize while living if she needs care
- \$19,000 annually can purchase a \$1,000,000 no-lapse guarantee life insurance policy with a benefit access rider for long-term care or chronic illness.
  - Can access up to 2% of the death benefit each month if the need for care is triggered.

\*\*Assumes Preferred Non-Tobacco

# EXCESS QUALIFIED RETIREMENT DOLLARS

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- Craig and Stacy are both 71-years-old with 1 child and 3 grandchildren.
- They have excess dollars in their Traditional IRA that they will not need in retirement.
- Craig and Stacy do not want to leave their heirs with a large tax-bill on the money they leave behind when they pass.



# NEXT STEPS

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- If you have questions or would like to review your own legacy plans, reach out to your North Risk Partners Risk Advisor to schedule a meeting.

# QUESTIONS?

