



Life Insurance as a Retirement Planning Tool

Protect Your Loved Ones. Grow Your Wealth. Secure Your Future.

When most people think about life insurance, they picture it as protection for their family in the event something happens to them. While that is true, certain types of life insurance, particularly permanent life insurance with cash value, can also be a powerful addition to your retirement planning strategy.

How It Works

Grow the Cash Value

Permanent life has a cash value component that grows over time and is tax-deferred, meaning you don't pay taxes on the growth unless you withdraw it.



Create Tax-Free Income

You can take tax-free loans against the policy's cash value to supplement your retirement income. These can be structured so that they don't increase your taxable income.



Leave a Legacy

If you don't use the cash value, your beneficiaries receive a tax-free death benefit, creating a legacy for your family. Even if you take out loans, your beneficiaries will still receive the remaining balance after loan repayment.

Key Benefits for Incorporating Permanent Life Insurance in Retirement Planning



Tax-Advantaged Growth

Your cash value grows tax-deferred, compounding faster than taxable accounts.



Market Protection

Indexed policies could participate in market gains while protecting against losses.



Potential Tax-Free Income

Withdrawals and loans, structured correctly, can provide retirement income with no current income tax.



Long-term Care and Living Benefits

Some policies offer product features that allow you to tap into the death benefits early for long-term care or terminal illness support.



Lifetime Coverage and Flexibility

Access funds anytime without age restrictions or penalties, while maintaining life insurance protection.



Legacy Planning

Even after taking income, you could still leave a significant tax-free benefit to your beneficiaries.



Why This Can Be Powerful

- Diversifies retirement income sources
- Shields part of your savings from market volatility
- Hedges against future tax increases
- Combines protection, savings, and legacy into one solution

Who Should Consider This Strategy?

- High-income earners seeking to potentially maximize tax-free income
- Individuals who have maxed out 401(k) and IRA contributions
- Those seeking stable, long-term tax-advantaged growth
- People who want a legacy component alongside retirement income

Life insurance can be more than protection; it could be a powerful engine for retirement. Start now to lock in lower rates, maximize growth potential, and give your retirement plan the strength it deserves.

Speak to your financial advisor today to learn how to incorporate permanent life insurance into your retirement strategy.

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