





Timely insights that you can use.

**“Fun is like life insurance; the older you get, the more it costs.” Kin Hubbard**

In a world filled with constant change, we shouldn't be surprised that things offering stability and consistency are appealing. Despite differing opinions, many people continue to value owning permanent life insurance policies. The predictability and security of permanent life insurance can be reassuring to people concerned about the ever-changing landscape of experiences and products in our modern lives.

Permanent life insurance policies provide long-term **death benefit protection**, **predictable premiums (whole life policies) or flexible premiums (indexed universal life policies)**, policy **cash values**, and potential **creditor protections**.

	<b>Death Benefit Protection</b>	The ability to have death benefit protection that you can't outlive. Many permanent policies may allow for that death benefit to grow over time, depending on how the policy is configured.
	<b>Predictable or Flexible Premiums</b>	The ability to have a predictable premium experience for whole life policies that can be "locked in" if desired. Some policies may allow you to have limited premium payment periods while supporting long-term protection. Indexed universal life policies allow for flexible premiums.
	<b>Favorable Cash Value Access</b>	The ability to have policy cash values growing under tax-favored conditions. When structured properly, cash values grow without annual taxation and allow the tax-free access of those accumulated values in future years.
	<b>Creditor Protections</b>	The ability to have limited creditor protection of life insurance cash values and death benefits. The amounts protected will vary by state and depend on circumstances, such as whether or not a bankruptcy filing is in effect.

### Death Benefit Protection You Can't Outlive



The primary purpose of life insurance is to provide crucial funds to beneficiaries after an insured individual passes away. Our inevitable deaths make permanent life insurance an effective way to address the financial consequences of this unavoidable experience. Many permanent life insurance policies, such as whole life, don't simply expire with the passing of time. Instead, they give consumers confidence that the policy death benefit will be available as long as sufficient premiums are paid. Payout isn't contingent on death occurring within a limited time frame, as is the case with term insurance.

Timely insights that you can use.

Term life insurance may be ideal for temporary protection needs. However, when the need exists regardless of how long one might live, a permanent life insurance policy may be the way to go. There are several types of policies which fall into the permanent category. Your COUNTRY Financial representative can explain which type may make the most sense for your long-term protection needs.

### Predictable Premium Commitments



Most permanent life insurance, including whole life policies, offers consistent premiums that policyowners can budget for. Individuals with these policies benefit from predictable premiums while securing valuable death benefit protection. Some whole life policies even allow policyowners to fully pay up the policy within a specified timeframe. This can be helpful during retirement, when income may be limited but the need for permanent protection continues.

Indexed universal life insurance, a type of permanent life insurance, provides policyowners with significant flexibility in premiums and coverages. This flexibility can be valuable for individuals with less predictable incomes or who want to adjust their premium payments from year to year. This flexibility can be both a strength and weakness. Failure to pay adequate premiums into a universal life policy can jeopardize the potential for permanent death benefit protection.

Your COUNTRY Financial representative will be able to help you understand which type may make the most sense for your permanent protection needs.

### Favorable Cash Value Access



One key difference between most term policies and permanent life insurance policies is the presence of policy cash values. These cash values can be accessed by the policy owner for various “living benefit” needs. This may include policy loans, withdrawals, or partial surrenders.\* When structured correctly, policyowners can use cash values without tax consequences, making them an attractive choice for many individuals.

When properly implemented, the cash value growth within a permanent life insurance policy offers benefits similar to those of a Roth IRA. Premiums are paid using after-tax dollars (like a Roth IRA). The cash value accumulates without current tax recognition (similar to a Roth IRA). When needed, that cash value can be accessed without income taxation (similar to a Roth IRA). For individuals unable to make Roth IRA contributions due to income-based phaseouts, a well-structured permanent life policy may offer a way to diversify the tax status of their investments while providing valuable death benefit protection.

The rules for ensuring a policy maintains tax-free cash value access are complex. Your COUNTRY Financial representative can guide you through these rules as needed. When dealing with potential tax consequences, we recommend seeking advice from your own tax professional. Keep in mind that accessing a policy’s cash value impacts the net death benefit, and could jeopardize the policy, which may lead to adverse tax consequences. Prudent and well-informed decisions about the consequences of different choices will help you manage these risks and increase your satisfaction.

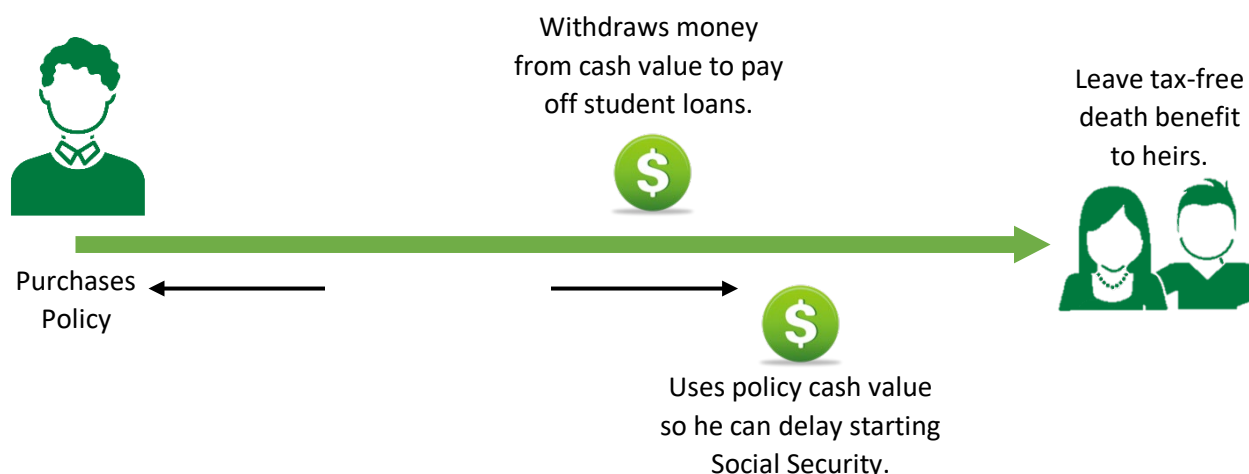
Timely insights that you can use.

Consider some of the many ways a permanent life insurance policy's *cash value* might be used.

- Helping finance the purchase of a larger ticket item, such as a vehicle.
- Helping cover a child's educational expenses.
- Helping supplement other retirement income sources.
- Helping provide an income bridge so an individual can delay the start of Social Security benefits.
- Helping with the down payment to purchase a home.
- Helping insulate against the full impact of market volatility in retirement, by temporarily using cash values for spending needs instead of market-based investments (helping to avoid "selling low").
- Many, many more ways . . .

#### Example of How a Permanent Policy's Cash Value Could Be Used

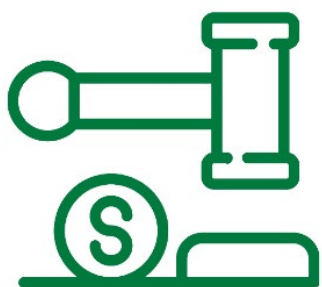
Steven (age 38) needs permanent death benefit protection of \$250,000. He may also want to use the cash value to supplement other saving he is doing. By purchasing a permanent life insurance policy, the cash value built up could be used for things such as paying off his daughter's student loan when she graduates from college or even making withdrawals for two years after retiring so he can maximize his Social Security benefit by deferring its start to age 70. Steven may even retain a substantial tax-free death benefit for his heirs throughout his life\*.



\* Policy loans, withdrawals, and partial surrenders decrease the cash value and death benefit of the policy.

Timely insights that you can use.

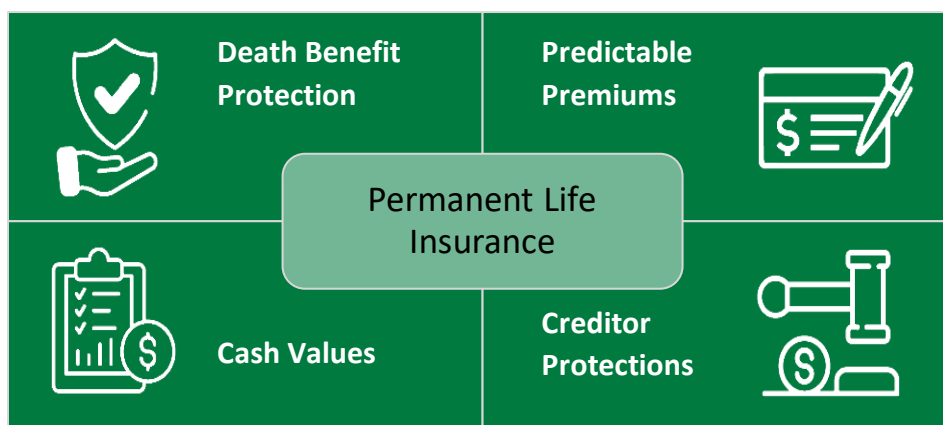
## Creditor Protections



Nobody likes to think of the possibility of being sued. However, lawsuits are a common situation in modern society. In addition to the other benefits of permanent life insurance, policies may receive creditor protection under each state's laws and the federal bankruptcy code. That protection varies by state and can depend on whether bankruptcy is involved. Different rules may also apply to cash values and death benefits.

Because creditor protection rules can vary widely between states, we encourage you to consult with your attorney for personalized guidance on the creditor protection rules in your state and associated with your individual circumstances.

## The Power of Permanent Life Insurance



*This information is not intended as and should not be construed to provide tax or legal advice. It is intended as an educational starting point to help you better understand the topic being presented. COUNTRY Trust Bank and its employees do not provide tax advice, nor should you use the information here to advise clients or prospects on their personal tax situation. This information may omit some important aspects of tax or legal conditions the client or prospect may face, which is why you should always recommend that they seek out the advice of qualified tax or legal professionals of their own choosing.*

## COUNTRY Trust Bank® Financial Planning Consultants

Bryan Daniels, CFP®, MPAS®, ChFC®, CLU®, AAFP, AWMA®, ADPA®, CMFC®

Nick Erwin, CFP®, BFA, ChFC®, CLU®, AAFP

Scott Jensen, CFP®, ChFC®, CLU®, RICP®, AAFP

Lorraine Zenge, AAFP

Life insurance policies issued by COUNTRY Life Insurance Company® and COUNTRY Investors Life Assurance Company®, Bloomington, Illinois.

Not FDIC Insured

No Bank Guarantee  
May Lose Value

Investment management, retirement, trust and planning services  
provided by COUNTRY Trust Bank®



Experience more.™