JM GetMoore Insurance
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How to Position Investment Grade Life Insurance as an Asset Class:

Most observers think we're headed into a period of both higher inflation and increases in the level of state and federal income taxes. So what asset class should be considered that reduces both volatility and taxation? The answer may surprise you.

When added to a portfolio, life insurance can build value for both retirement planning and wealth-transfer planning while reducing overall portfolio volatility.

Life insurance is an ideal vehicle to integrate into a balanced portfolio as a separate asset class. It will provide cash in the form of a death benefit. The cash value can provide the policy owner with retirement income with the same volatility as a bond alternative under more tax-favored withdrawals.

This retirement stream can be used for income, mortgage payments or long-term care. The tax-deferred cash accumulations can be accessed income tax-free. Most importantly, the death benefit is based upon an event unrelated to what happens with the stock or bond markets. There are many people whose family's net worth shrank dramatically in 2008, and many of those don't have the time needed to recover their lost sums.

"It's not what you don't know that will harm you. It's what you know to be absolutely true, that isn't, and that’s what will harm you."

With the rise of both (a) guaranteed life policies and (b) variable life policies with extended guarantees, life insurance often plays a dual role for the wealthy: It is a risk management tool - a contract to deliver cash at death - and it is an investment tool. For example:

- It is oppositely correlated to all other investments in the portfolio.
- It assures that the portfolio is properly diversified in all areas, including time of investment maturity.

- It complements estate tax reduction strategies that require many years to be successful.
- It provides additional liquidity without any potential market value adjustments.
- It allows you to retain good investments with depressed values until they return to their full value.
- It can enhance returns while reducing risk.

"Get Moore, Worry Less!"

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