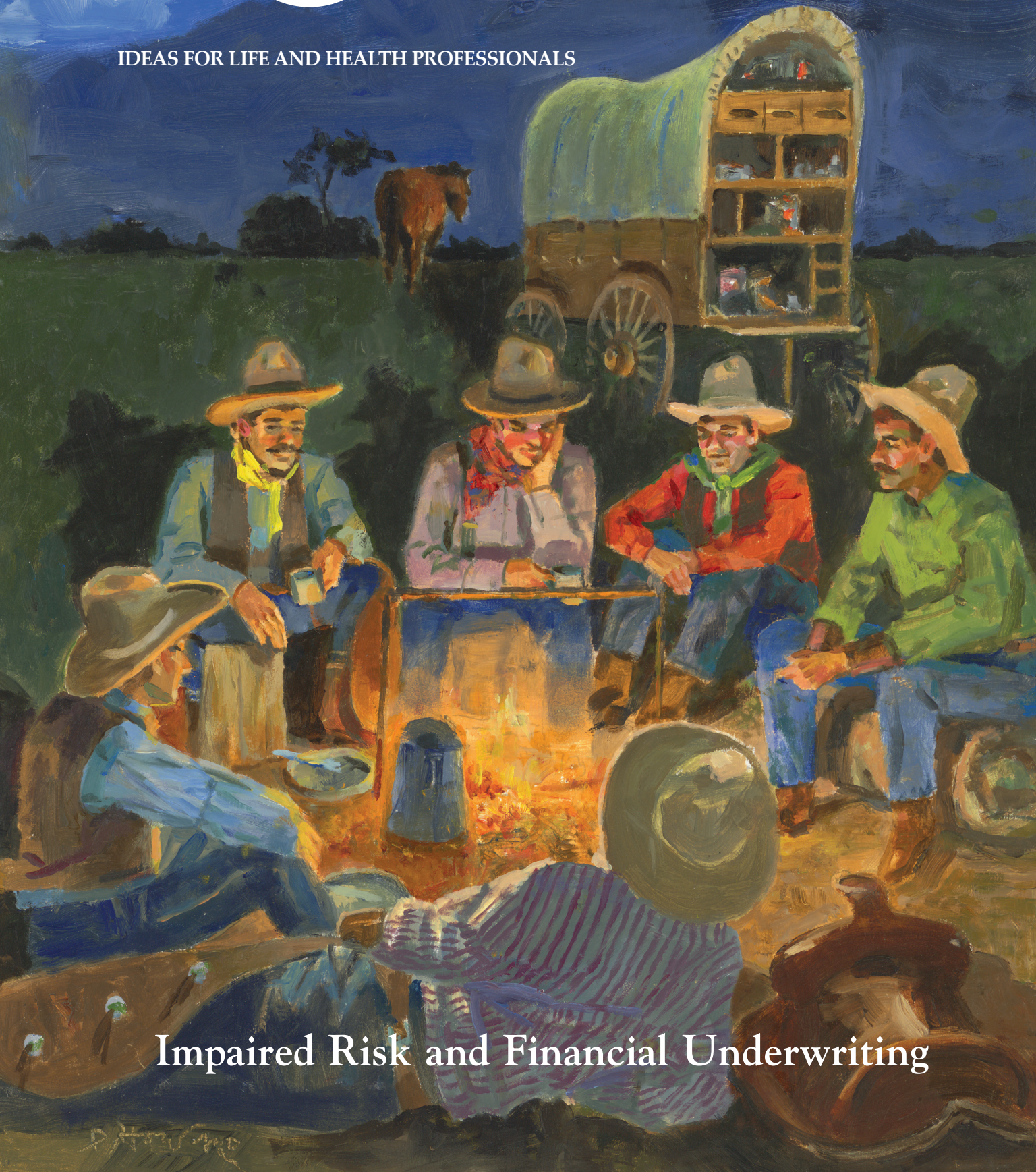


BROKER WORLD

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IDEAS FOR LIFE AND HEALTH PROFESSIONALS



Impaired Risk and Financial Underwriting



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Breathe Deeply Mr. Rockefeller And Enjoy Your Sixth New Heart!

If you knew you would live to 100, would you still buy life insurance?

Recently I read that billionaire philanthropist David Rockefeller had successfully undergone his sixth heart transplant in 38 years at the age of 99. The article said Rockefeller, now 101, had a team of private surgeons perform the last transplant at his Hudson Valley, NY, estate. After fuming about how unfair it is that the very rich could essentially "buy" decades of additional lifespan by procuring an unlimited supply of human replacement parts, I decided to check out this story further. To my relief the article was untrue, a total fabrication, and probably designed to malign Mr. Rockefeller—who is purported to be a very generous and kind man.

But what if it was true, and you knew that at least regarding your own life you could know that:

1. Absent a car or plane crash, or being devoured by sharks, you'll live to be at least 100; and,
2. As with David Rockefeller, you will retain your full faculties and suffer no

serious disability along the way; and,

3. Of course nobody else knows this so the actuarial tables don't change.

Knowing you'll live to 100 eliminates the need for life insurance, right?

Yes and no. When you are young and raising a family, you may still want some life insurance to replace your income just in case that plane you are on falls from the sky or the drunk driver comes out of nowhere to find you. It will be harder for you to bear writing a check for insurance in these years when death seems so remote.

Life insurance as an investment—no joke!

However, you can use both insurance and your assurance of longevity to create a veritable super-fund for yourself and your family. Remember, now that you won't die young, you will have to fund for your extended old age, which will last decades. This will require savings discipline, being able to set aside as much

as you can tolerate saving each month. Knowing you will have such a long life in store, you will want or need a financial product that:

- Grows tax deferred through the power of compounding;
- Can be accessed in a tax-advantaged manner to supplement your long retirement;
- May be protected from creditors (check your individual state laws on this); and,
- Has a death benefit that far exceeds the life value of the investment – for those great-grandkids (whom you'll already know).

Which type of insurance will support your exceptional longevity best?

In choosing the “engine” that could accomplish the above, we would design a

plan using either whole life, which carries high contractual guarantees and where the underlying investment is within the insurance company’s general account, or an indexed universal life plan, where the underlying investment is based on the returns of a stock index, usually the Standard & Poor’s 500. Either way, the plan we would create would incorporate the lowest possible amount of insurance allowed and still retain the tax benefits of life insurance. The insurance would grow in value over time and would be set up so that the cash value could be accessed in life for many years, which is appropriate given your newfound anticipation of longevity. When you do eventually pass from this world, the remaining life insurance benefit could be used to create a legacy for your family or as a charitable gift to your alma mater or house of wor-

ship so you’d never be forgotten.

You can crack the code by buying an Immediate Annuity!

If you know you will outlive the average Joe/Jane by twenty years, then why not buy an investment that pays you principal and interest over your lifetime? It’s called an immediate annuity and with your extreme longevity you will receive far more in benefits than the actuaries assumed, creating a moral dilemma for you, but also exceptional personal wealth as your monthly income will continue until you die.

Do you need insurance if you know you will live to be 100? Mr. Rockefeller might say, “Only if you are smart enough to uncover the power of life insurance and its hidden potential!” 🌐