Securian Financial®

Individual Life Insurance
Wealth accumulation strategy

Insurance products issued by:
Minnesota Life Insurance Company
Securian Life Insurance Company

Using life insurance as a financial tool to build wealth

Have you ever considered life insurance as a financial tool?

It's actually a viable alternative to potentially build wealth — and complement your other retirement strategies — while providing death benefit protection. Let's explore the advantages of using life insurance as your wealth accumulation strategy.

Getting the most out of life

As you financially prepare for the future, you want to do what's best for you and your family. So you have the means to keep enjoying moments big and small — and making memories with those who matter most.

Preparing for retirement involves making many decisions, including:

- How much should you set aside for retirement?
- Where is the best place for your retirement funds?
- What is the tax impact on those retirement funds?

There are many financial strategies you can employ. Each has its benefits and limits to achieving your desired wealth accumulation and retirement goals.

Cash-value life insurance is one strategy that helps you make the most of your hard-earned dollars, by building wealth and supporting your existing retirement vehicles.

3 key benefits of life insurance

Here are three primary reasons why using life insurance is a smart strategy for accumulating wealth. We'll go into more details on the next page:

1

Tax-deferral

2

Tax-advantaged access to cash value

3

Self-completing if you become disabled

Enjoy tax advantages and waiver of premium

1

Tax-deferral

With life insurance, the growth inside a life insurance policy is tax deferred. This tax-deferral allows the policy to accumulate value without the drag of taxation.

Over the many years of a life insurance policy, compounded interest can have a dramatic impact on policy cash value.

2

Tax-advantaged access to cash value

Another beneficial feature of life insurance is the ability to access the cash value tax-free.

When you own a life insurance policy, you can withdraw cash value, tax-free,[1] up to the amount you have paid in premiums. Plus, you can borrow additional cash value from the policy free of taxes.

We call this an "opportunity reserve" – using your policy's cash value to help fund life moments. Like making a down payment on a cabin, purchasing a classic car or taking your teenage kids on one last family vacation.

And when you retire, you may access your cash value income-tax-free (through withdrawals and policy loans) to help supplement your income.

3

Self-completing if you become disabled

And finally, you can still achieve your financial goal with life insurance — even if you[2] become disabled. How? By electing a waiver of premium option.

There is a cost attached to selecting a waiver of premium rider on your contract. However, the policy premiums are paid for you in the event of disability. Plus you can leave a legacy at your[3] death for family members, or for charities and other organizations important to you.

1. As long as your policy maintains its tax-advantaged status and is not a Modified Endowment Contract (MEC). Withdrawals and loans from a life insurance contract are subject to special tax rules if the policy is an MEC.

2. If owner/insured are different, premiums will be waived upon the insured becoming totally and permanently disabled.

3. If owner/insured are different, the death benefit will be paid upon death of the insured.

Other factors affecting your retirement funds

There are many factors to account for when choosing where to place your retirement funds, including your:

- Objective(s)
- Time frame
- Acquisition and liquidation costs
- Growth potential
- Guarantees
- Annual expenses
- Risk and liquidity

As you discuss your retirement asset options with your financial professional, consider their contribution, accumulation and distribution tax characteristics:

Retirement asset breakdown

	No annual limits on contributions	Tax-deferred accumulation	Tax-advantaged distribution	Income-tax-free death benefits	Not subject to healthcare surtax — 3.8%
Traditional IRA[4]		o			o
Roth IRA[4]		o	o	o	o
Qualified plan		o			o
Certificate of deposit	o				
Municipal bond[5]	o	o	o		o
Individually owned deferred annuity[6, 7]	o	o			
Life insurance[8, 9]	o	o	o	o	o

Diversification does not guarantee against loss. It is a method of managing risk.

4. The ability to contribute or deduct contributions may be limited by adjusted gross income limits.

5. The principal value of bonds will fluctuate with market conditions. Bonds redeemed prior to maturity may be worth more or less than their original cost. Bond interest paid by a municipality outside the state in which you reside could be subject to state and local income taxes. If you sell a municipal bond at a profit, you could incur capital gains taxes. In some cases, municipal bond interest could be subject to the federal alternative minimum tax.

6. An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty. If the annuity will fund an IRA or other tax qualified plan, the tax deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to non-qualified distributions. Please consult a tax advisor for specific information. There are charges and expenses associated with annuities, such as surrender charges (deferred sales charges) for early withdrawals.

7. Upon annuitization, a portion of principal is included in the annuity payout and is not subject to income taxes.

8. Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

9. The policy design you choose may impact the tax status of your policy. If you pay too much premium your policy could become a Modified Endowment Contract (MEC). Distributions from a MEC may be taxable, and if the taxpayer is under the age of 59½ may also be subject to an additional 10% penalty tax.

Other than contribution limits or tax treatment, several other factors should be considered before purchasing any of these products. These include investment objectives, costs and expenses, liquidity, safety, fluctuation of principal or return, credit rates, rider availability, surrender periods and other product/investment characteristics.

Making more premium payments adds to cash value

Many may not realize the potential for efficiently accumulating cash value inside their permanent life insurance policies.

While the natural inclination is to pay as little as possible for death benefit protection, additional premium dollars have the potential to accumulate more cash value because a policy's cash value grows tax deferred.[1]

Is life insurance the wealth strategy for you?

As you accumulate wealth and fund for retirement, keep in mind the many options available to you, and which ones help you best reach your goals.

If death benefit for your family, tax-deferral, and tax-advantaged access are on your list, consider adding cash-value life insurance to your financial toolbox.

At Securian Financial, we’re here for family. And we’re here because of it.

Family doesn’t have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That’s why our insurance, investment and retirement solutions give you the confidence to focus on what’s truly valuable: banking memories with those who matter most.

Learn more

Contact your financial professional today to find out how you can use a wealth accumulation strategy to help reach your goals.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Depending upon actual policy experience, the owner may need to increase premium payments to keep the policy in force.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first 15 years of the contract. You should consult your tax advisor when considering taking a policy loan or withdrawal.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

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Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

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