

# Estate planning with life insurance

*Marketing guide*



Help clients build, preserve,  
and maximize their estates



**North American Company**  
for Life and Health Insurance  
Since 1886

| *Life*

# ESTATE PLANNING WITH LIFE INSURANCE

Estate planning can be a real challenge—even with a will in place. Life insurance death benefit proceeds can provide the liquidity needed to pay off debt, replace income, supplement retirement income, create an equitable inheritance between heirs, and even provide protection for businesses. North American offers solutions to help ensure that your clients' plans are intact when they need it most.

## Who can benefit?

Your clients' beneficiaries, including surviving spouses, children, other loved ones, and even business partners, could be faced with an array of financial complications—in addition to the emotional impact of a loss. Planning only gets you so far. How can your clients be sure that when the time comes, their wishes will be met? By using life insurance as part of an estate plan, your clients can provide beneficiaries with a simplified, guaranteed death benefit<sup>1</sup> proceeds needed to help ensure their final wishes are met.

Not all assets are easily converted into liquid funds. Even if a will is in place, certain items take time and often require specialized help to sell or transfer, like:

- Real estate
- Tangible personal property (e.g. jewelry, cars, art collections)
- Intangible personal property (e.g. stocks, bonds)
- Business interests/ownership

The specialized agents, fees, and time involved in dealing with asset transfers like this could end up costing beneficiaries money. Other factors, like state laws, inheritance disputes, and probate court, could slow the process of heirs receiving their inheritance and cause financial complications for everyone involved. By putting an estate plan in place that includes life insurance, you can help ensure your clients' beneficiaries have access to funds when they need it most.

## Why life insurance?

First, having a will in place is crucial. A will allows clients to control how and to whom assets are distributed, and it can be used to suggest a guardian for the care of children or other dependents. Without a will in place, state inheritance laws could determine how a client's property is distributed, and even who should care for your clients' children. Having a will helps to ensure your clients' wishes are met.

However, even with a will, assets may not always transfer immediately to beneficiaries. There are many circumstances that can impede the process—the most common being probate court. Debt, funeral expenses, and the care of dependents could all be hanging in the balance during a potentially lengthy court process. At the time of death life insurance can provide generally tax-free access to the death benefit proceeds - helping to give beneficiaries the financial support they may need during a difficult time.<sup>2</sup>

Life insurance may help create a solid estate plan that allows clients to not only preserve what they have now, but also build their estate throughout their lifetime. Good estate planning works to help protect assets while also considering other factors, like outpacing inflation and growing the estate value.





## How does it work?

Estate planning is a complex process and should be done in collaboration with other professionals your clients may work with (e.g. attorneys, accountants, trust officers, etc.). An in-depth analysis of personal and professional assets can help determine what will best benefit the estate. Plans for the allocation of different types of property can be constructed, as well as a life insurance policy to provide a liquid asset in the form of the death benefit proceeds.

A popular method is to use a joint survivorship life insurance policy. This type of insurance policy can insure two lives under one policy for a low cost and provides death benefit proceeds when both insureds have died, providing financial support to those who need it. The beneficiaries are typically children, a charity<sup>2</sup>, an organization or a trust.<sup>3</sup> The death benefit can also be used to help pay taxes on sizeable estates upon death. North American offers a survivorship product that can help protect the estate for heirs, while also building cash value during the living years with the ability to earn interest.

**Call sales development at 800-800-3656 ext. 10411**  
to learn about the various life insurance products available to  
meet your clients' estate planning needs.

1 Guaranteed death benefits are subject to premium payment requirements.

2 Neither North American Company nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements or before commencing any charitable giving plan.

3 Trusts should be drafted only by an attorney familiar with such matters.



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