

Estate planning with life insurance

Tips to help you with a successful client meeting

Agent checklist

A key to success in estate planning situations is to be prepared. Here you'll find guidance on questions to ask and possible solutions using life insurance.

Question	Need
Do you have children?	This question opens up discussions about what the client wants to do for children. It can be a point of reference for future discussion. Find out if the children are involved decision makers or have strong opinions about the planning process.
Do you have grandchildren?	Secondary education funding may be a goal for the grandchildren. A gift for the grandchildren can be nice at a time when financial help in early adulthood would be much appreciated.
How big is your estate?	Clients may not have done the math yet. Identifying this figure will help start conversations about estate taxes and the different solutions that may be involved. Life insurance may help cover some or all of these expected costs.
Have you thought about the future of estate taxes?	The current environment makes planning for federal estate taxes challenging. Ask your clients about their opinions.
Are you familiar with your state death tax rates?	Clients may not be aware of state death taxes or the appropriate exemption amount for their state. This conversation may result in identifying a life insurance need to cover state costs even if the client is within federal exemption limits.
Do you expect future gifts or inheritances?	A client's estate size today is unlikely to be the same years down the road. By helping your client recognize the impact of estate growth, you can more accurately cover estate tax needs.
Do you have a family business that you would like to pass on?	A family business often struggles to survive as it passes through generations. Life insurance may be used by the business itself on the owner(s) as key people, or used by the family to help avoid the business being liquidated or highly stressed in order to pay estate taxes.

Question	Need
<p>Do you have land or hard assets of significant value?</p>	<p>Selling these assets could generate the funds needed to settle an estate, but a rushed sale in order to pay federal estate taxes is not an ideal situation. These assets may contribute to a large percentage of the estate's value, making it difficult for the executor to handle. Life insurance can help cover estate taxes or be used as a balancing tool to equalize inheritance between those who receive valuable hard assets and those who don't.</p>
<p>Are there any charities that are close to your heart?</p>	<p>Life insurance may be beneficial for charitable bequests. For pennies on the dollar, life insurance can provide a great gift.</p>
<p>Do you have an outstanding mortgage?</p>	<p>Not every client will die with a house paid in full. Though some clients may not be concerned, others are motivated to see that all of their debts are covered and won't reduce their estate size in other areas.</p>
<p>What are your goals in estate planning?</p>	<p>This is a key question that when left open will help you identify the client's motivational items. It's likely that many goals may be achieved using life insurance. Some goals could be helping to:</p> <ul style="list-style-type: none"> • Reduce estate settlement costs • Preserve the value of the estate • Make specific bequests • Maximize amount to heirs • Provide for spouse/children/grandchildren • Provide sufficient estate liquidity • Plan for orderly disposition of a business interest • Minimize taxes • Balance estate • Fund education

Talk to your Managing General Agent (MGA) about North American's life insurance solutions than can help your clients plan for their estate.

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