



Estate Planning with Life Insurance

Build, Preserve, and Maximize Your Estate with Life Insurance

Consumer Brochure





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 plans are intact when you need it most.

| HIGHLIGHTS | ESTATE PLANNING WITH LIFE INSURANCE |
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| Who can benefit? | Beneficiaries, which may include a surviving spouse, children, other loved ones, and even business partners. |
| Why life insurance? | Death benefit proceeds provide liquid funds where other assets can take time and specialized help to sell. |
| How does it work? | Individuals or trusts may be named beneficiaries of the policy. |

Who Can Benefit?

Your 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 will you be sure that when the time comes, your wishes will be met? By using life insurance to reinforce your plans for your estate, beneficiaries have a simplified, guaranteed way to access the liquid cash proceeds needed to help ensure your wishes are met.

Not all assets are easily converted into liquid funds. Even if you have a will, 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 your 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 a plan in place that includes life insurance, you can help to ensure your beneficiaries have access to funds when they need it most.

Why Life Insurance?

First—having a will in place is crucial. A will allows you to control how and to whom your assets are distributed, and can be used to suggest a guardian for the care of your children or other dependents. Without a will in place, state inheritance laws could determine how your property is distributed, and even who should care for your children. Having a will helps to ensure your 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. Your debt, funeral expenses, and the care of dependents could all be hanging in the balance during a lengthy court process. Life insurance can provide generally tax-free¹ access to death benefit proceeds at the time of death, rather than waiting for court settlements or the sale of property to be finalized—helping to give your beneficiaries the financial support they may need during a difficult time.



In addition to laying the groundwork for a smoother estate distribution process, life insurance may help create a solid estate plan which allows you to not only preserve what you have now, but also build your estate throughout your lifetime. Good estate planning works to help protect your assets, while also taking other factors into consideration, like outpacing inflation and growing your estate value to maximize the inheritance for your heirs.

How Does It Work?

Estate planning is a complex process and should be done with the guidance of your life insurance agent, attorney, and any other professionals you may work with (e.g. accountants, trust officers, etc.). An in-depth analysis of your personal and professional assets should be performed to determine which planning opportunities can best benefit your estate. Plans for the allocation of different types of property can be constructed, as well as a life insurance plan to provide a liquid asset in the form of the death benefit.

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, an organization, or a trust. 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 your estate for your heirs, while also building cash value throughout your lifetime with the ability to earn interest. Talk to your North American representative about the various life insurance products available to meet your estate planning needs.

Find an estate planning solution with your North American representative today.



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| *Life*

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