

Cash value life insurance is more valuable than people realize....



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Cash value life insurance is the most important financial asset available, and it will remain so for the foreseeable future.

This is because it has the unique ability to combine safety, tax benefits, and leverage and longevity credits. Cash value life insurance is far more valuable than most people realize because it will help them to overcome challenges they do not yet anticipate.

I am stating this so categorically because it seems like many insurance and financial advisors do not fully understand the important role cash value life insurance will play in achieving financial success in the years ahead.

Consider this: If interest rates continue to remain low, how will people save enough for quality retirements? If the stock market reverts to its mean and yields no returns or even losses for the next decade, how will people achieve retirement success?

And how will we pay for health care? According to the Centers for Medicare and Medicaid Services (CMS), the average American spent about \$9,600 for healthcare in 2014. That is a 25 percent increase since 2007.

CMS predicts the average American will spend almost \$15,000 annually in 2023. That means a couple will spend \$30,000 per year. The median household income in this country is only \$51,000 and 86 percent less than \$75,000 per year. Bottom line: Most of America will not be able to afford healthcare by 2023.

Wait — it gets worse! According to Health View Services, a 65-year-old couple retiring today will pay between \$266,000 and \$395,000 for healthcare in retirement. And a 55-year-old couple retiring 10 years from now will pay between \$321,000 and \$463,800.

Health View Services believes couples will have to save at least \$1,200 per month between ages 55 and 65 just to pay healthcare costs. If this is correct — and I suspect it is a conservative estimate — even so-called “rich” Americans will struggle to accumulate the required funds.

The only way for families and businesses to handle these costs will be to use cash value life insurance effectively to provide the enormous amount of money that will be required. But most Americans do not understand the financial miracle we call cash value life insurance.

That is where you and I come in. The greatest savers the world has ever known — the parents of the baby boomers and the silent generation — have trillions of dollars languishing in checking accounts, money market accounts, CDs, low-interest bonds, and low-interest annuities.

Most of this money makes between zero and one percent interest. Remember: At one percent, money takes 72 years to double in value (and that is before taxes).

Ask everyone: What if you could enjoy the same rate of return and access to your money as you have now, but in addition your invested funds would:

- Grow safely.
- Accumulate free from income tax.
- Could provide tax-free income.
- Could provide catastrophic illness, long term care or terminal illness benefits.
- Provide several times the money invested to heirs income tax-free after death.

The last benefit is the most important because it uses the spectacular power of leverage. Why leave your family the \$100,000 you have in a money market when you could leave them \$200,000 or more in a cash value life insurance policy that pays similarly to that money market? Only the magic of leverage will solve the enormous financial challenges Americans face in the years ahead.