

In FOCUS



The latest news and information from Liberty Life Assurance Company of Boston

Liberty Life Mailbag

Dear Liberty,
Can I 1035 an existing life policy that has an outstanding loan to your Estate Maximizer II? If so, what happens with the loan?

-Jim, CA

Great question. You can 1035 a life policy that has an existing loan. The second part of your question is more complex and can best be answered with an example. Let us use the case of a 65 year old female with a \$40,000 outstanding loan.

Cash value upon exchange \$100,000
Death benefit purchased: \$193,070
(100,000 x 1.9307)

Outstanding loan: \$40,000

EMII cash value w/ outstanding loan: \$60,000
EMII death benefit w/ outstanding loan: \$153,070

Some things to consider:

- The loan cannot be more than 40% of the cash value in the existing policy
- If the loan remains outstanding, it will affect the death benefit.
- The loan can be paid back into the policy, increasing both the cash value and the death benefit.

Consult a tax advisor for tax implications
- Liberty Life

Email us your questions!
Marketing@fm-inc.com

Uncle Who?

As another tax season arrives, so does the reality of hard earned money going to the IRS and not to loved ones. This season show your clients how they can protect their assets with Liberty Life's Estate Maximizer II. With the EMII your clients single payment will grow tax deferred while instantly purchasing a guaranteed death benefit that will pass to their beneficiaries income tax-free.

Call Financial Markets, Inc. Marketing Department at 800-888-2829 and ask for details on Liberty Life's Estate Maximizer II.

Selling To Seniors May Include Selling To Their Loved Ones

Often times when selling financial products to seniors you are not just selling to them. Concerned children and other close family members will often want to be a part of the decision making process. With Liberty Life's Estate Maximizer II you can let them know there are great benefits for both the insured and their beneficiaries.

Client

- Attractive return
- Tax-deferred growth
- Access to cash values
- Guaranteed return of principal

Beneficiaries

- Guaranteed death benefit
- Instant increase in loved ones' estate value
- Income tax-free death benefit
- Bypassing of probate

Annual Life Insurance Reviews = Sales Opportunities!

A recent study by LIMRA shows that 75% of households that indicate they need life insurance are current policy owners.¹ With this in mind, scheduling annual reviews of your clients' life coverage could benefit you as well. Yearly reviews can help you uncover potential sales opportunities while building a trusting relationship with your clients.

Potential life events that may require additional life coverage include²:

- getting married / having a child
- buying a house
- changing jobs
- bringing on debt

¹ Pressing Issues for Producers and How Companies Can Help, LIMRA, 2006

² www.Life-Line.org, Life Events

If you have questions or would like to order materials or illustrations, please call Financial Markets, Inc. at 800-888-2829

Insurance Products • Not a Deposit • Not FDIC Insured • Not Insured By Any Federal Government Agency or NCUA/NCUSIF • Not Guaranteed By Any Bank Or Credit Union • May Go Down In Value

Liberty Life's Estate Maximizer II, a single payment interest-sensitive whole life insurance contract, is issued by Liberty Life Assurance Company of Boston, a member of the Liberty Mutual Group on policy forms SPWL 200314 and GSPWL 200314 CE (SPWL 200314 NY in New York). Product features and availability may vary by state. Liberty Life's obligations under its life insurance contracts are guaranteed by Liberty Mutual Insurance Company. Guarantees are based on the claims-paying ability of Liberty Mutual Insurance Company.

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