

# Add life insurance to your retirement portfolio

Supplement your income while protecting what matters most

Life insurance isn't just financial protection. It can be a valuable portfolio asset that gives you opportunities to increase and protect your retirement savings and income. An indexed universal life (IUL) insurance policy can provide:

- Cash value growth potential, often linked to a market index performance
- Access to cash value through loans that can help shelter other portfolio assets if the market declines<sup>1</sup>
- Downside protection to help shield against market losses
- Optional protection from long-term care expenses



## KARL AND KATE

**Married professionals,  
age 50 and in good health**

Karl and Kate would like to save more, so they can have more to spend in the future. They look forward to retiring in an ideal location where they can enjoy their active lifestyle.

## See how *Lincoln WealthAccumulate*<sup>®</sup> 2 IUL fits into Karl and Kate's financial plan



### What Karl and Kate need:

- Financial security for Kate, so she can live the retirement they planned, no matter what
- An additional resource for retirement income to support their future plans and lifestyle



### What Karl and Kate want:

- More growth potential and a diversified financial portfolio
- Protection from market volatility and market loss<sup>2</sup>
- A tax-efficient resource to help protect their retirement income

## The solution

Their financial professional recommends that Karl purchase *Lincoln WealthAccumulate*<sup>®</sup> 2 IUL with the Fidelity AIM<sup>®</sup> Dividend Indexed Account – Fixed Bonus. This account participates in the potential growth of the Fidelity AIM Dividend Index that uses high dividend strategies, which are designed to contribute to returns in low or declining interest rate environments and after long bull markets.

By picking this account, they can have the growth potential they want and the ability to manage market volatility — all while still growing their savings.

## The Fidelity AIM® Dividend Indexed Account – Fixed Bonus helps them grow their wealth with:

- A participation rate, which is the percentage of the market return he'll earn when his segment matures
- No cap so he can experience more of the Index growth potential when the Index is up and a 0% floor to protect against loss in years when the Index is down.<sup>2</sup>
- A fixed bonus provides guaranteed growth regardless of market performance. He'll receive this bonus when the market is up and even when the market is down, providing him more growth opportunity

## See how Karl uses his life insurance during his retirement years\*

 <p>Assuming Karl received an annual crediting rate of 5.70%, his cash value at age 66 is \$313,941.</p>	 <p>So, he takes annual participating loans starting at age 66 of \$22,064 that are tax-free.</p>	 <p>Karl's 30-year participating loan total is \$661,920 that he used to supplement his retirement income.</p>	 <p>His pretax equivalent internal rate of return on his policy cash flow is 7.29%.</p>	 <p>And, Karl can rest assured knowing that before the death benefit transfers to Kate, any loan amounts will be deducted.</p>
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This hypothetical example assumes a male, age 50, standard nontobacco, \$15,000 premium paid to age 65, assuming 5.70% annual crediting rate, minimum non-MEC death benefit, increasing by cash value death benefit option switching to level at age 66, monthly participating loans in years 16 through 45, 35% tax bracket.

\* Interest credited to participating loan debt assumes the crediting rate applied prior to any interest bonus is no more than 1% greater than the guaranteed loan interest charged, regardless of the assumed crediting rate. Actual interest credited to the policy will not be limited by these parameters, and participating loan borrowed values will earn the same credited rate as the unborrowed values. **At 0% and guaranteed charges, this policy lapses in year 36 with no distributions.**

<sup>1</sup> Distributions are taken through loans and withdrawals, which reduce a policy's cash value and death benefit and may cause the policy to lapse. Loans are not considered income and are tax-free. Withdrawals and surrenders are tax-free up to your cost basis, provided your policy is not a modified endowment contract (MEC). A MEC policy is one in which the life insurance limits exceed certain high levels of premium or the cumulative premium payments exceed certain amounts specified under the Internal Revenue Code. For policies that are MECs, distributions during the life of the insured, including loans, are first treated as taxable to the extent of income in the contract, and an additional 10% federal income tax may apply for withdrawals made prior to age 59½. <sup>2</sup> Policy charges remain in effect and could reduce your policy value.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

### Important information:

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