



**ALINK**  
Captive Insurance Services



# Security

I feel secure when my life insurance policy is in place. **Life Insurance provides Security.**

Life insurance in its purest form provides security when a person dies. The effects of death are tremendous regardless of the timing.

When a person dies prematurely, the beneficiary of the insurance policy will have the financial security to sustain a quality of living, pay off a mortgage, and at least temporarily function financially.

For business owners, not only does life insurance provide security for their family, life insurance also provides protection for the business itself, to replace a key-man, or provide the resources to compensate for the loss. When partners are involved, life insurance provides additional options such as cross purchase policies.

When a person dies at full life expectancy, even at an older age, life insurance provides protection. Estate tax, legacy planning, and charitable giving can be the purpose of a life insurance policy.

The standard formula for the amount of protection a person needs is ten times annual salary. Stating the obvious, the higher a person's net worth is, the more protection / insurance that person needs.

There is of course a balance between short term security and long term security.....And life insurance provides protection for both. Short term, inexpensive term insurance is temporary (for the term of years planned for), simple and easy to understand.

Long term, permanent life insurance policies not only provide the death benefit, these policies also create living benefits including a cash value which can be accessed and deployed - **Tax Free** – for education, retirement, long term care benefits, and any other future expenses or opportunities. Permanent life insurance policies allow premiums paid to work in a variety of ways, create multiple benefits, which can solve many situations, goals or potential problems.



There are hybrids, adjustments to how the premium is paid, and the benefits provided such as:

**Single Premium.** Single premium is a type of life insurance that charges the policyholder a single up-front premium payment to fully fund the policy. This eliminates the continuous payment of premium. One good use of these policies is rolling over existing policies thus eliminating ongoing premiums.

**GUL**, or guaranteed universal life insurance, offers permanent life insurance coverage without requiring an investment value. Another way to view these policies is as permanent term policies. The term is one's life. These policies are more expensive than term policies, yet less expensive than permanent policies with a cash value. These policies particularly benefit those who don't want or need a cash value.

**Financed life insurance** involves taking out a third-party loan to pay for a policy's premiums. This strategy may be useful to high net worth individuals who don't want to liquidate assets to pay for costly insurance premiums outright, yet still desire or need the benefits of large policies.

Life Insurance isn't the only way to create Security. However life insurance is a key component, even

# Your Link to Security!

**Rich Ericson, President**

ALINK Captive Insurance Services

• Direct: 720-213-0583 • Email: [Rich@ALINKcis.com](mailto:Rich@ALINKcis.com)

[www.ALINKcis.com](http://www.ALINKcis.com)