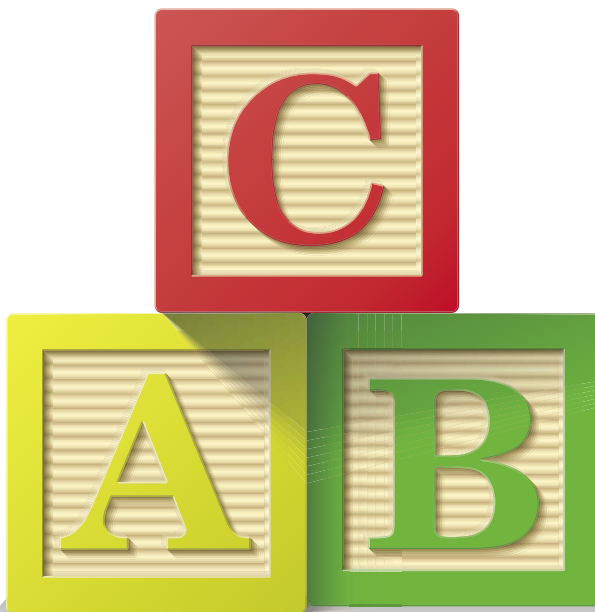


# CHILD ASSET

**Builder**

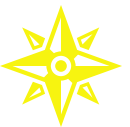


*Leaving a Generational Legacy*





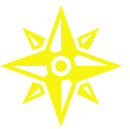
**The magic of compound interest. Compound Interest is the addition of interest to the principal sum of a deposit. In other words, interest on interest.**



What if you could use the magic of compound interest for decades (i.e., a child policy), yet never pay taxes above basis because you take distributions as a loan?

It is not deemed as income, is not subject to required minimum distributions, and will not affect taxation on social security if in a life insurance policy. Death benefits are tax free as well.

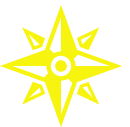
As a parent or grandparent, you can leave a legacy by using the magic of compound interest.



**According to the Federal Reserve,**

**“Over one-half of Americans  
could not come up with  
\$400 in an emergency.”**

That's unnerving, to say the least. All of us love our children/grandchildren, but we might not be around to guide them through financial challenges. What if part of your legacy was built around helping them get a head start on savings?

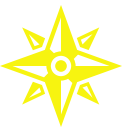


I recently came across a 45-year-old man whose father taught him the value of savings. His dad told him to put 25% of every dollar into savings when he took his first part time job in school. He never stopped setting aside this percentage, and his income has grown through the years. Today, at a relatively early age, he's a multimillionaire. But, as you know, he's an exception to the rule.





One of the problems is that we're not taught financial responsibility when we're in kindergarten, grade school, high school, or even college. And many times, what we do learn about savings is simply not true. What if you could give your children a head start with the knowledge of how to take care of money? What a legacy that would be.



The Magic of Compound Interest Combined With Time.  
Add tax-free distribution with flexibility and you have  
a child asset builder

**Compound Interest**

**+**

**Time**

**+**



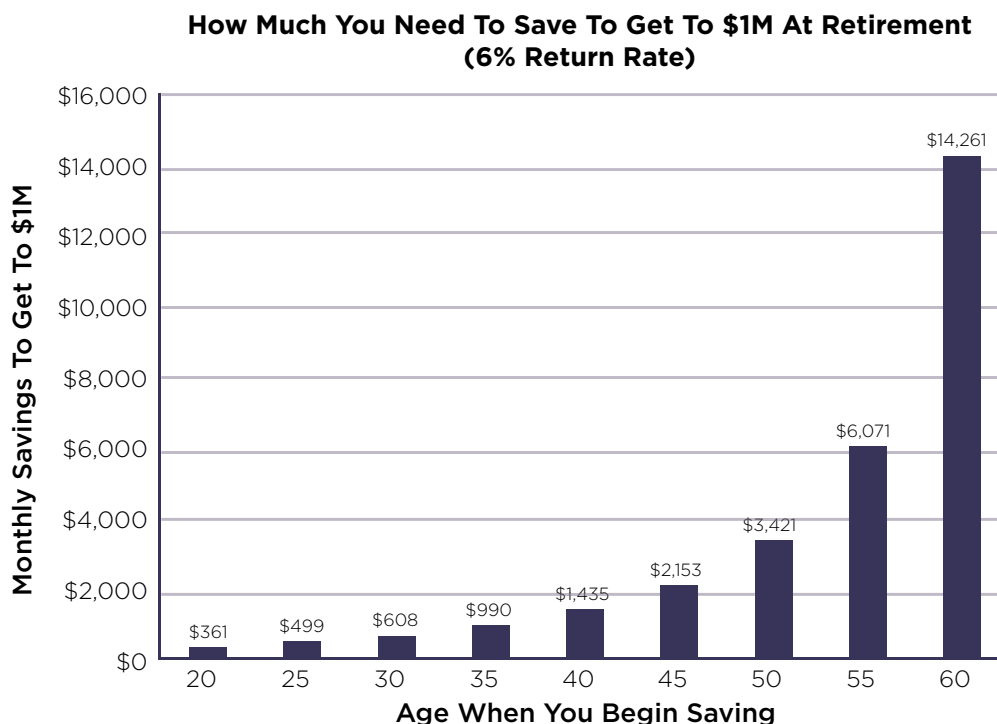
**Tax-Free  
Distributions With  
Flexibility**

**=**

**Child Asset Builder**

Remember, compound interest is the addition of interest to the principal sum of a deposit. In other words, interest on top of interest.

As the years go by, this method of accrualment can develop into a sizable amount of money. This is great, but the problem is that interest is always taxable when you take a distribution.



When we talk about a checking, savings, or even a CD account, we already know that the gain, if any, is taxed at the end of the year. For traditional IRAs and 401k's, 100% of that money is taxed at distribution.

**There are only two methods that are never taxed:  
Roth IRA or life insurance when distributed  
through loans that are properly designed.**



# How assets are taxed

## *Taxed now*

Cd's and  
Money Markets

Mutual Funds

Saving Accounts

## *Taxed later*

401(k) Accounts

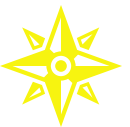
403(b) Accounts

Traditional IRA's

## *Never Taxed*

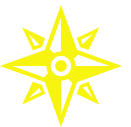
Roth IRA's

Cash Value Life  
Insurance



Every time I tell the Child Asset Builder story, I get more and more excited. The concept isn't new, but with today's products, it can be highly enhanced. Today, our program can include life insurance with critical, chronic, and terminal illness coverage. The owner has the option of using the money to help meet the needs of the child should a situation arise.





But why would you purchase life insurance? The number one factor is future insurability. Once you're approved, it's locked in as long as your policy doesn't lapse. Think about that for a second. Being able to purchase life insurance at a young age, when costs are low, makes perfect sense. No matter what happens in life, your child is insured.

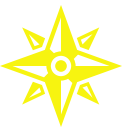
**How many parents or grandparents make the costly mistake of not taking care of this simple decision?**





Later in life, that insurance can be a great asset, as you know, to help secure loans. There is so much flexibility in this plan. It may also become the most valuable asset a family can ever have, helping a family pay debts and ensuring future income. This Child Asset Builder plan could become a college savings account. In addition, the policy comes with critical, chronic, and even terminal illness riders. I call this the risk management of our plan.

**Simply put, our plan is self-completing no matter what occurs.**

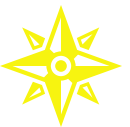


Now, let's look at the primary reason for the Child Asset Builder: accumulation. This is why so many grandparents and parents love this plan. It makes sense: if we systematically put money away for a few years when the child is young, we can eventually stop payments and just let it build. If we're able to credit interest in most years, the concept/magic of compound interest could really take hold for us.



**But here's the real beauty of this plan:** it's not in the market. After expenses, the carrier puts the remainder of the premium in their general accounts, which are generally fixed assets. They then purchase options on behalf of the policy. For instance, if we chose a crediting strategy of a one-year point to point, we would see if the index had any gains one year later. If it did, we would exercise our option and take the gain at 100% up to the cap that the carrier offered. Then, we would lock in that gain and reset for our next crediting period.

On the other hand, if the index did not achieve a gain, we would simply not exercise the option. Thus, we lose no money in our crediting strategy. We would reset at the lower index mark and begin again.



Now, here's a moment that seems almost too good to be true. We are simply using the rules and laws of life insurance to make this happen with an overfunded Indexed Universal Life plan.

I mention the rules and laws of life insurance because we are using a concept called arbitrage to maximize our return. We are using a variable loan where the carrier loans the money without going into your cash account. It continues to work inside the crediting strategy.



One concern you might have is that when the child turns 25 and she has control of the account, she may see money that she could access. You may no longer be around, and guidance may be at a minimum.

To accompany the Child Asset Builder I'd encourage you to write a personal handwritten letter to the child. This letter would explain the details and importance of the plan. I have to tell you, I think they would think twice before terminating the policy.



## Letter to My Children

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Matthew,

I love you more than words can ever express. I am so proud to be your dad, and I will always cherish the time we have had together.

When you were younger, I decided that I wanted to do something to help you financially throughout your life and to make sure you are taken care of when you are an adult and I may not be around to lean on. Life is difficult at times, and I wanted to do whatever I can to help with some of the financial struggles you may face along the way.

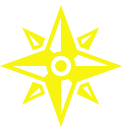
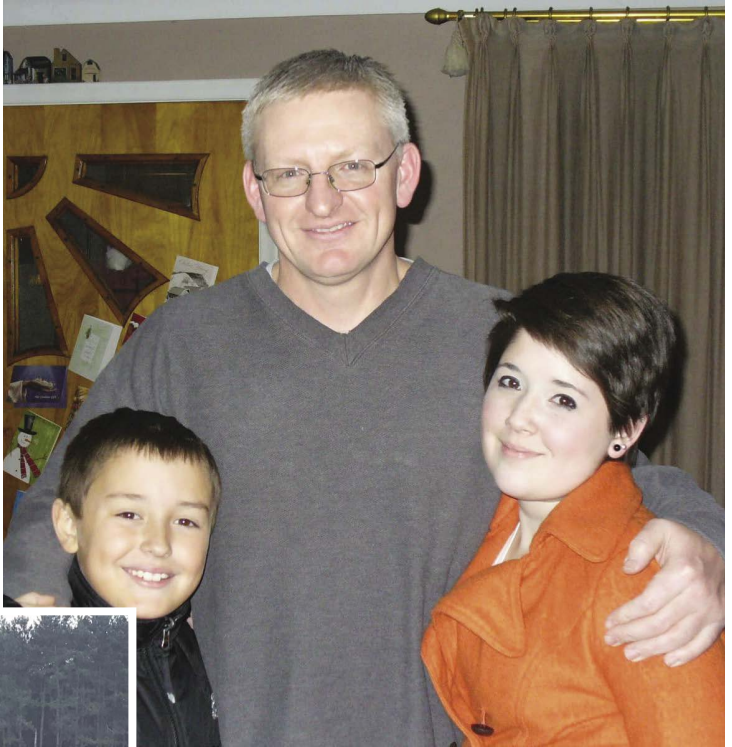
One of the things I put together for you is this life insurance plan. If you use this properly, it will provide you with needed money if you face a difficult time, or it can be used to borrow from yourself instead of using a bank or credit card. It is very important to use it responsibly for only what you absolutely need and pay yourself back as soon as you are able. If you follow these rules, your retirement years will be amazing and you will have extra money to enjoy yourself, and I hope to pass some on to your children and grandchildren.

Please use this wisely and make good choices.

I love you son.

Dad





I think you would agree that proper planning is a must for life and retirement.

**You know, social security was never meant to cover more than 40% of your income when you move into retirement.**

Let's take this deeper. I'm a firm believer that it's almost impossible to get to your destination unless you have a plan, a process, a roadmap. Why leave anything to chance when you can chart a blueprint to your goal?



# Child Asset Builder Roadmap

## LIFE INSURANCE COMPANY:

IUL

PREMIUM: \_\_\_\_\_

GUARANTEED  
INSURABILITY: \_\_\_\_\_

YEARS TO PAY: \_\_\_\_\_

ACCUMULATION  
STRATEGY \_\_\_\_\_

## RIDERS:

ACCESS ☐

ACCIDENTAL ☐

WAIVER ☐

CRITICAL ☐

CHRONIC ☐

TERMINAL ☐

## CURRENT LOAN RATE:

STANDARD: \_\_\_\_\_

PREFERRED: \_\_\_\_\_

VARIABLE: \_\_\_\_\_

PARTICIPATING: \_\_\_\_\_

## CHILD ASSET BUILDER

"Giving the Gift of Love & Prudence"

Owner: \_\_\_\_\_

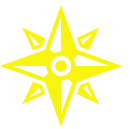
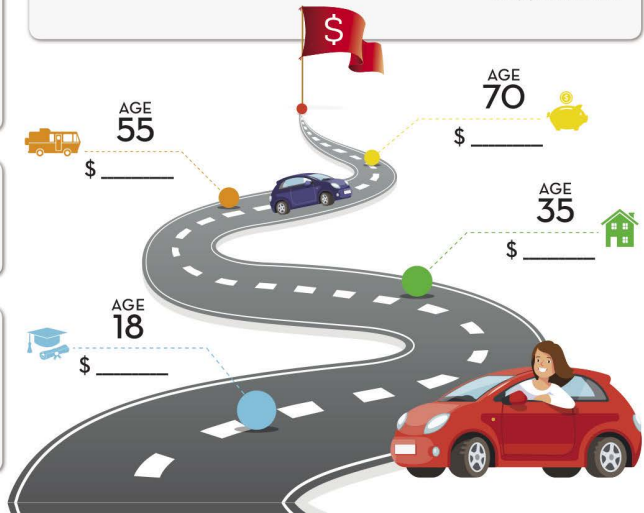
Child: \_\_\_\_\_

DATE

**RETIREMENT  
DESTINATION**

CASH AVAILABLE

AMOUNT NEEDED



- GUARANTEED INSURABILITY
- AN OPPORTUNITY FOR COLLEGE FUNDING
- EMERGENCY FUNDING
- A SOURCE OF SUPPLEMENTAL INCOME
- TAX DEFERRED ACCUMULATION

## GRANDPARENTS CURRENT LIFE INSURANCE

		GRANDMOTHER	GRANDFATHER	
				FACE AMOUNT
				TYPE OF INSURANCE
				CASH VALUE

## PARENTS CURRENT LIFE INSURANCE

MOTHER	FATHER	OTHER	
			FACE AMOUNT
			TYPE OF INSURANCE
			CASH VALUE

## The Love Letter

I began my career in the financial services field in 1992 with a passion for helping young families to start saving for the future. At the same time, I realized the importance of educating them on strategies to protect what they were building in the event of a tragedy.

Over the years, I have also recognize a real need to help parents and grandparents with personalized strategies to create the best possible retirement lifestyle and maximize the legacy they are able to leave to their families. So many families are concerned about taxes, running out of money, Long Term Care costs, market risks, estate planning, etc. It is more important than ever to have a person, and really a team with experience in all of these areas of planning, and that is what motivates me every day. I am proud to work with an amazing team to solve all of the complex financial issues of life.

I am a long time resident of Perrysburg and a graduate of St Francis de Sales High School. I went on to earn a BA from Colby College in Waterville, ME, where I played on both the Hockey and Baseball teams. After college, I have spent much of my time outside of work coaching both sports, including nearly 25 years as a high school hockey coach. Currently I am an assistant coach of a Sylvania youth travel team, and spend most of my days watching my son Matthew who plays Football, Hockey, and Lacrosse at St Johns Jesuit High School.

I hold Life and Health Insurance licenses with additional training in Annuities and Long Term Care in both Ohio and Michigan.

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## Jeff LaCourse

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**Insurance and Retirement Planner**

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**jeff@lacoursefinancial.com**

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**www.lacoursefinancial.com**

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**419-309-7021**

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**Perrysburg, OH 43551**

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