THE PHYSICIAN’S LIFE ASSURANCE POLICY: SECRET TO FINANCIAL SECURITY

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DISCLAIMER

• This lecture is for educational purposes only and is not intended to be construed as Investment, Tax, Legal or Financial Advice. Attendees should seek the assistance of a professional familiar with the subject matter prior to implementing any of the ideas and strategies discussed.
BEST FINANCIAL VEHICLE FOR PHYSICIANS

• 1. Discretionary Income
• 2. Asset Protection
• 3. Financial Reserve for Business/Personal
• 4. Tax Efficient
FINANCIAL VEHICLES

• 1. Profit Sharing / Pension Programs / Qualified Plan
• 2. Securities – Stocks/Bonds
• 3. Annuities
• 4. Commodities
• 5. Network Marketing
• 6. Real Estate / Rental Property
ROAD TO RETIREMENT

1. Income

2. Bumps in the road
   1. Family/Children
   2. House
   3. College debt
   4. College for children
   5. Weddings
   6. Automobiles
FINANCIAL REALITY

• 22 Trillion dollar debt
• Stock Market Volatility
• Aging Population
  • Medicare, Social Security, Medicaid
• Increasing taxes
WHERE CAN I PUT MY MONEY

• 1. Guaranteed Growth
• 2. Access your money without penalty
• 3. Secure and Stable
• 4. Reduced Fees
• 5. Tax Efficient
• 6. Asset Protected
• Participating Whole Life Insurance Policy
CAVEATS

• Not a Get Rich Quick Scheme, Get Rich Slow Vehicle
• Structure dictates function
• Discipline
• Capitalization
  • Current income
  • Savings
  • Qualified programs
  • Life Style
  • Cash Value Life Insurance
WHOLE LIFE INSURANCE

1. Best time to find out about this vehicle
2. Medical professionals are best suited
   1. Asset Protected
   2. Discretionary Income
3. Why have I not heard of this program before
   1. Don’t know
   2. Don’t make any money
LIFE INSURANCE PRIMER

• 1. Term Life Insurance
• 2. Permanent Life Insurance
  • Universal Life
    • Equity Indexed Universal Life
    • Variable Universal Life
  • Whole Life
WHOLE LIFE INSURANCE POLICY

- Premium
- Death Benefit
- Cash Value
- Living Benefits
- Paid Up Additions
- Modified Endowment Contract (MEC)
- Mutual vs Stock Company
DIVIDEND PAYING WHOLE LIFE INSURANCE POLICY

• Death Insurance – death benefit
• Life Insurance – living benefits
  • Cash Value – Paid Up Additions (Super Charge Policy)
  • Dividends Payments
    • Pay for more Paid Up Additions
    • Cash Value
    • Policy Loan/Interest
• Policy Loans
• Policy Riders
  • Guaranteed Insurability
  • Waiver of Premium
  • Accelerated Death Benefit
  • Long Term Care
WHOLE LIFE INSURANCE POLICY

- Guaranteed Growth
- Policy Loans
- Efficiency of Money – Volume of Interest – Opportunity Cost
- Forced Savings Program
- Asset Protected
- Tax Advantages
- Disabled
- Long Term Care
- Family Bank
- Completion - Legacy
GUARANTEED GROWTH

• Growth on premium – Cash Value
• Dividends (non guaranteed)
  • Base
  • Paid Up Additions
POLICY LOANS

- Liquidity – obtain money
- Use – use it for whatever
- Control – access money without restrictions
  - Debt consolidation
  - Retirement
  - Automobiles
  - College education
  - Weddings
  - Business Loans
  - Cash Flow*- Perpetual Income
POLICY LOANS

- Efficiency of money – Form Your Own Bank
- Direct vs Non-Direct Recognition
- Volume of Interest
- Opportunity Cost
CASH FLOW – PERPETUAL INCOME/MONEY MAXIMIZER

- Business
  - Walt Disney, JC Penney, Ray Kroc
  - Physician / Owner

- Personal (Money Multitasker)
  - Invest – Real Estate, Oil,
FORCED SAVINGS PROGRAM

• Human Nature
ASSET PROTECTION

- High Liability Profession
- Protection against creditors
TAX ADVANTAGES

• Tax Free Growth – “Tax on seed not on Tree”
• Withdraw Tax Free – i.e. Policy Loans
• Heirs Obtain Tax Free – Free From Probate
• Tax Status – Relatively Cheap Currently
  • 22 trillion debt
  • Stock Market Capital Gains
  • Social Security/Medicare Tax
  • FASFA
DISABLED

• Disability rider – Waiver of Premium
LONG TERM CARE

• Long Term Care Rider
FAMILY BANK/COMPLETION/LEGACY

- Best Gift You Can Give Your Family
WHY SHOULD I NOT DO THIS?

• 1. Don’t have money
• 2. Advisors/Agents/Accountants
• 3. Can’t pass physical
• 4. Buy Term and Invest the Difference
WHERE ELSE ARE YOU GOING TO INVEST YOUR MONEY?

• Cornerstone

• Other investments with money you can risk to lose

• Money Multitasker
  • Leverage your money, Guaranteed Growth, Secure and stable, Tax efficient, Asset protected, Access your money, and leave a legacy
FINAL THOUGHTS

• 1. Make sure you know what you are doing or make sure Financial Planner/Agent knows what he/she is doing and how to set up policy correctly.
• 2. Educate yourself
• 3. Financial Strategy that becomes a way of life
REFERENCES

- Bank on Yourself – Pamela Yellen
- Infinite Banking Concept – Nelson Nash
- Paradigm Life – Patrick Donohoe
RECOMMENDED READING

- Becoming Your Own BANKER – R. Nelson Nash
- Bank On Yourself – Pamela Yellen
- Financial Independence in the 21st Century – Dwayne Burnell
- Heads I Win, Tails You Lose – Patrick Donohoe
QUESTIONS / COMMENTS / INSIGHTS

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