CHILD ASSET

Builder

Child Asset Builder

Leaving a generational legacy

MILLER

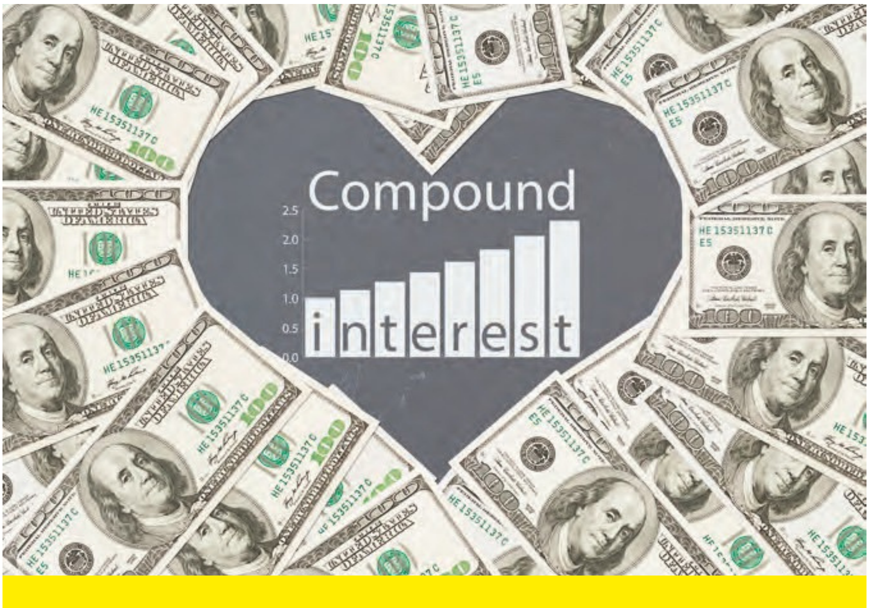
Insurance Solutions

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 effect 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.


Compound
2.5
2.0
1.5
1.0
0.5
0.0
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 protect them through financial failures. 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 distributions with flexibility and you have a child asset builder

Compound Interest

+

Time

+

Tax-Free

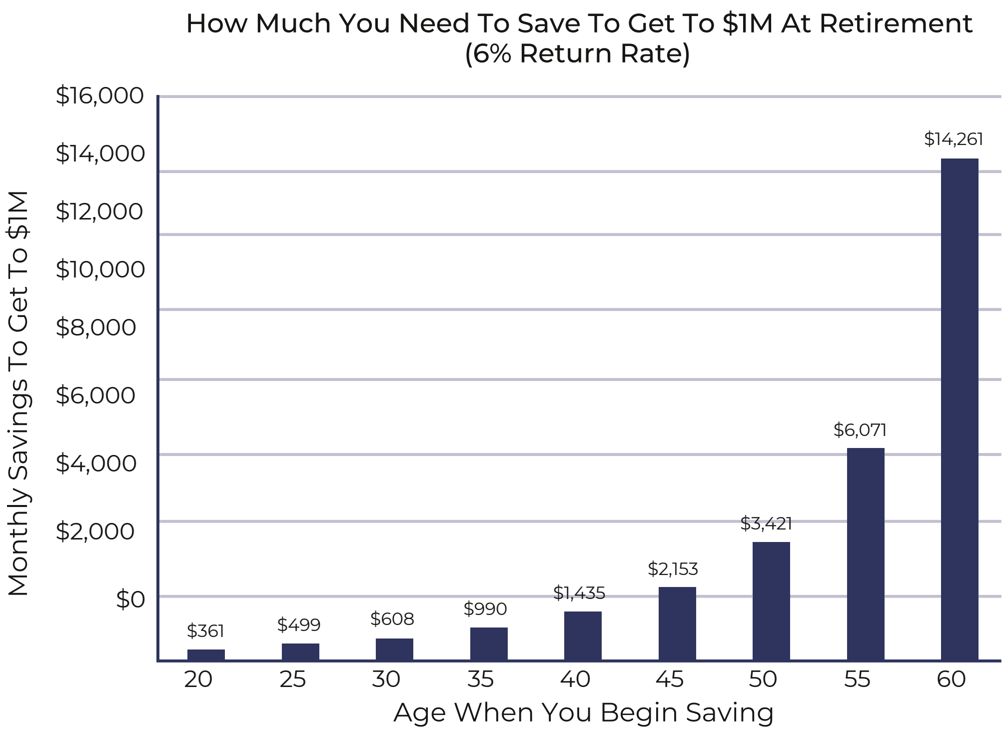
Distributions With Flexibility

=

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 accruement 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

Tax Now	Tax Later	Tax Never
Checking	IRA	Roth
Savings	401k	Life Insurance
Money Market	Pension	
CD's	Profit Sharing	
Stocks	Annuities	
Mutual Funds		
Brokerage		

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 can even use the money as needed as the child reaches maturity.

In January, 2021 Congress made a revision of the 7702 regulation that makes this concept for accumulation even more powerful.

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 leverage 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.

The Love Letter

Hadley Jane, Silas, and Riggs, I love you with all my heart. When each of you was a young baby, I felt that the greatest gift that I could give you would be this policy. It was meant to be a lesson to you about love and prudence. Life is not easy, there will be bumps in the road that you will face. How I wish to be with you as you face life's challenges. This policy is a partnership between you and me. It is to be carried with you throughout your life. And it is here to help you maneuver through the rivers of life. If you need money, take it from here as a loan. Only enough to get you through whatever challenges you face. Be prudent, put it back as quickly as you can. If you do, it will take care of you throughout your life. It will make your life and retirement a little bit easier. I love each one of you so much. Be smart and make good choices.

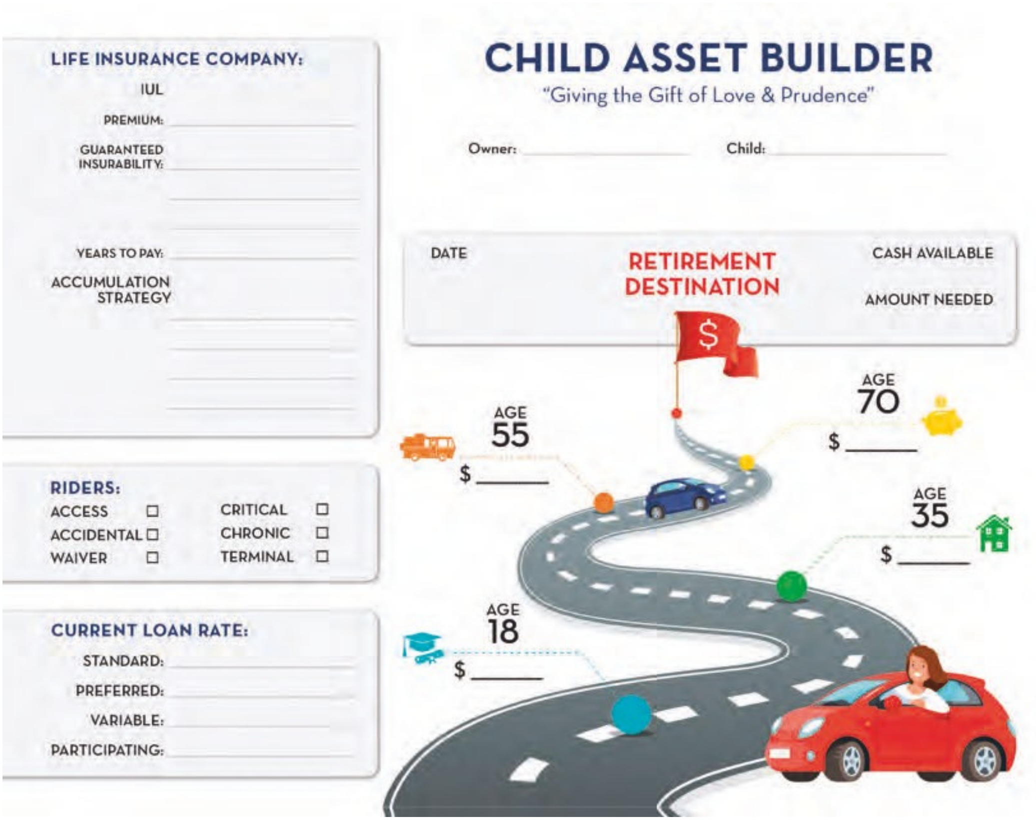
Mimi

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



- 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

My name is Becky Miller, I have a joy and passion for helping others. I worked in Early Childhood Education for over 20 years. I enjoyed teaching and working with children and watching them grow and develop into their person. Now I have the pleasure to help others of all ages, not with just insurance, but with life and retirement planning. The birth of a child is both a wonderful experience and a great responsibility. What kind of footprints will you leave behind for them? Will your footsteps just fade away or be forgotten? Or will they leave special moments in life?

As parents, we quickly get caught up in life's hectic merry-go-round. We are busy with taking care of the house, work, making sure the children get everywhere they belong, getting fed, doing homework, sports, and all the church and school activities in which they are involved. We have a responsibility as parents and grandparents to teach our children about life, how to be loving and caring, being grateful, and learning about forgiveness. You want your child to be of good character and kind to others. Children learn by example, watching, and listening to us. Even when you may not know, they are always watching.

One thing in life that is often forgotten is teaching our children about making wise financial decisions. Responsible spending and the difference between needs and wants. I would like to help you with that. This will be one of the best decisions you can make for your child/grandchild. You can provide them with financial security that many of us never had. I have 3 beautiful grandchildren, Hadley Jane, Silas, and Riggs. I love spending time with them, taking them to fun places, buying them gifts, and making lots of happy memories. One of the best gifts I have given them is their own Child Asset Builder Plan. Now I have given my grandchildren a financial beginning. Life is short, you never know what tomorrow holds. Don't miss out on making special memories with your child/grandchild. Let me work with you in building a road map for your child's/grandchild's financial future. What a fantastic footprint it will be for you to leave a secure financial foundation.
What Footprints Will You Leave Behind?

MILLER
Insurance Solutions

Becky Miller
Miller Insurance Solutions
163 Turtle Creek Dr, Suite 170
Hattiesburg, MS 39402
601-602-4594 or 601-466-4634
Fax 601-227-4888

MILLER
Insurance Solutions