



PRIVATE RETIREMENT LIFESM

❖ PRIVATE RETIREMENT LIFESM IS THE SAFEST WAY TO “EXEMPT” LIFE INSURANCE POLICY VALUES & BENEFITS FROM FRIVOLOUS LAWSUITS, CREDITORS & BANKRUPTCY IN CALIFORNIA.

1 THE PROBLEM: LIFE INSURANCE IS NOT AN EXEMPT ASSET IN CALIFORNIA

Unlike Nevada, Texas and Florida where Life Insurance is fully exempt, Life Insurance cash values are only exempt up to \$13,975 (\$15,650 in bankruptcy) for California residents.

When Executives come in to review their Exemption planning, they are always shocked to find out a creditor can seize and lien their savings accounts, personally held investments, and even equity in their residence/home. But then they get visually upset when they find out that creditors can even make claim on the cash values of their life insurance policies, which would threaten the existence of the policy to provide needed death benefits to beneficiaries/heirs, in other words, threaten their survivor’s future lifestyle should they die.

2 THE SOLUTION: A PRIVATE RETIREMENT LIFESM POLICY IS “EXEMPT” FROM CREDITORS

Under California Code of Civil Procedure 704.115, all plan funds/assets, all distributions, and all death benefits paid from a private retirement plan are fully exempt from creditors.

Therefore, if a life insurance policy is specifically designed for private retirement planning purposes and death benefits designated for retirement survivor needs, then a life insurance policy should be fully exempt under California law, but only if the need for private retirement savings is proven.

3 WHAT ARE THE VALUES & BENEFITS OF PRIVATE RETIREMENT LIFESM?

- ✓ All Policy premiums are paid from Plan Contributions and are immediately exempt upon funding.
- ✓ All Policy Cash Values are exempt as they accumulate.
- ✓ All Policy Loans are Exempt from creditors.
- ✓ All Policy Distributions are Exempt from creditors.
- ✓ All Policy Death Benefits are Exempt from creditors.
- ✓ All Policy Accelerated Benefits can be Exempt from creditors,

...if properly administrated.

4 HOW DOES PRIVATE RETIREMENT LIFESM WORK?

- **STEP 1:** Client completes an [Exemption Diagnostic](#) to validate the need for Private Retirement.
- **STEP 2:** Client elects to establish and fund contributions to their PRIVATE RETIREMENT LIFESM PLAN.
- **STEP 4:** Plan pays all Life Insurance Policy premiums for the specified funding term.
- **STEP 5:** Plan provides all “exempt” retirement benefits to Plan Participant during lifetime.
- **STEP 6:** Plan provides all “exempt” retirement benefits to Plan Participant’s beneficiaries at death.

5 WHAT DO YOU LOSE IF YOU DON’T FUND A POLICY TO PRIVATE RETIREMENT LIFESM?

Any other form of policy ownership cannot exempt policy values and benefits and provide retirement benefits:

- A personally owned policy can be sued by creditors.
- A business owned policy can be sued by creditors.
- An estate planning Trust-owned policy, including an ILIT, cannot formally offer private retirement plan exemption benefits to grantor-insureds.

Bottom Line: any policy that is designed to provide retirement benefits to a California resident can be exempt from creditors, and should be evaluated for a PRIVATE RETIREMENT LIFESM PLAN.

6 DON’T FORFEIT YOUR EXEMPTION RIGHTS – EXPLORE YOUR PRIVATE RETIREMENT PLAN OPTIONS

A California resident automatically forfeits their exemption rights for life insurance creditor protection, if they do not fund and own their policy in a PRIVATE RETIREMENT LIFESM PLAN.

7 NEXT STEPS:

1. Contact Your accredited PRIVATE RETIREMENT LIFESM representative.
2. Complete Your [Exemption Diagnostic Analysis](#)
3. Review Your Report and Design Your PRIVATE RETIREMENT LIFESM Plan.

