

# It's Not Your Father's Life Insurance

(NAPSA)—Today's life insurance provides a surprising benefit to many. In addition to the important death benefit protection, consumers can use it to manage their money.

Thanks to recent innovations, variable life insurance can be used as an important money-management tool. For example, Flexible Premium Variable Universal Life is a product that's been redesigned with new features, uses and benefits that include cash accumulation, income and lapse protection.

## Cash Accumulation

Life insurance helps accumulate cash inside the policy. Because cash accumulation within some insurance products grows tax-deferred until money is withdrawn, cash values may accumulate even faster than they would in other investment vehicles that do not defer taxes.

"This may help fund education, emergencies or other purchases while maintaining the death benefit protection," said Peter Golato, senior vice president of Nationwide Financial, a leading provider of investment products and services.

Tax-preferential treatment may also be available on partial loans and withdrawals in certain situations. Loans and partial surrenders will reduce death benefits, and it's important not to "lapse," or cancel, the policy because you may have to pay income tax on earnings.

## Income

Perhaps the most common use of the cash value of a variable universal life policy is to provide supplemental retirement income. New services offered by some insurance companies give you the flexibility to select income for a specified length of time or in a specified amount. Annual reviews are often prepared with these programs to help manage the overall



health of your policy and to determine whether income distributions should be modified.

## Lapse Protection

Sometimes consumers take withdrawals from their variable life policies until the cash value is depleted. If they later need a loan, the policy could lapse due to negative equity. A lapse means you may have to pay income tax on the policy's earnings, which is detrimental if you want the tax advantages of using life insurance to supplement your retirement plans. Additional penalties or obligations could occur when a policy lapses. Be sure you read and understand your policy before taking a loan or withdrawal.

Golato encourages consumers to look for products with provisions to help protect against lapses. Such products may have predefined "triggers," which notify you and your insurance agent, giving you the option to invoke a "rider" that prohibits further deductions or charges to be taken from the cash value.

Insurance companies may have varying restrictions and requirements, and guarantees are based on the claims-paying ability of the insurance company, so seek guidance from a trusted insurance agent or financial professional. For more information, visit [www.nationwide.com](http://www.nationwide.com).