

Knights of Columbus Permanent Insurance

In order to help members understand the excellent value of permanent insurance with the Order, we have prepared the following discussion points.

Our program highlights these very important considerations in the purchase of a financial product:

- Creditor and Bankruptcy protection of life insurance cash value in Texas. (Annuities enjoy same protection)
- Excellent history of dividends with a positive internal rate of return on both cash value and death benefits.
- Highest possible ratings attainable from both rating agencies Standard & Poor's (AAA) and AM Best (A++).
(Ratings matter and are most evident in our current financial environment)
- **127** years of financially successful operation as a nonprofit mutual fraternal benefit society for our members benefit.
- Annual Deposit and Single Deposit Paid Up Additions can create immediate tax favored and loanable funds.
 - These riders are suitable to transfer funds from poor performing insurance contracts or investments to establish reserves for unemployment, emergency funds or other short term liquidity needs.
- Permanent insurance creates capital for a surviving spouse to replace the guaranteed lost income of a reduced social security benefit with the passing of the first spouse. Can be up to 50% income lost here. (Same principal applies to pension incomes)
- Permanent insurance creates "Capital" in a tax free death benefit as an alternate source of funds for a surviving spouse. Therefore, the added life insurance asset permits enjoyment of funds accumulated via pension, IRA or 401-k in early retirement while you have the health to enjoy travel, etc, by created an asset for surviving spouse.
- Permanent insurance "leverages" (through its tax free death benefit) one's income taxable assets by taking distributions while alive in a lower progressive tax bracket to pay premiums. As opposed to undertaking transfer of taxable accumulated wealth in an IRA, 401-K or other tax qualified account at death accelerating a beneficiary's progressive tax bracket. Assess your options with your field agent.

Knights of Columbus Term Insurance

Our term insurance is very competitively priced and as a contract affords other benefits that should be considered in buying "term insurance". Many people overlook important features like convertibility to a permanent product, renewal pricing after a guarantee period expires and not to mention the financial ratings of the company and their future ability to meet their obligation. Health usually diminishes over time and declining health can have significant adverse effect on term contracts. Whereby raising ones future risks as opposed to reducing them, which is the purpose of insurance to mitigate risk.

Group insurance is tied to employment, which has become very risky with diminished corporate loyalty to employees and benefit reductions to slash corporate costs. We recommend having "significant personal insurance" not subject to a layoff or benefit reduction.

If the premium is too cheap, it is because the company issuing it is probably a poorly rated financial concern and the company's likelihood to meet your future need is questionable. (If acquired by another company due to default, it may change your policy, legally).