

Brad Brain: What keeps you up at night?

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Brad Brain: "What keeps me up at night? That's easy. I worry about what will happen for my family after I am no longer around."
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It's 3 a.m. and I can't stop thinking that I need more permanent life insurance. Specifically, cash value whole life insurance. And now I can't get back to sleep.

No, I didn't just get a bad medical diagnosis. In fact, I just took more than a minute off my recent best time for a 5 km run. All in all, I am in pretty good health for a man my shape.

My Term 20 life insurance policy still has another eight years before it renews, and I already have both a whole life policy and a universal life policy. So there isn't any immediate urgency, and I don't really need to be thinking these thoughts at 3 a.m.

But here we are. Unable to sleep, thinking over and over about how I really need more cash value whole life insurance. At 3 a.m.

What got me thinking about this was something that I saw about how life insurance is on sale today. You see, life insurance is always on sale. You will never again be as young as you are today, and your health is likely to wane over time, so usually there is never a better time than today to buy life insurance.

Now, I was thinking about cash value whole life insurance for my own situation, but that type of insurance is not going to be the first priority for all scenarios. If you are looking to protect your income in case something happens while your kids are still young, or you still have a mortgage to repay, then go take a look at a Term 20 policy.

But when it comes to estate planning, cash value whole life insurance is where it is at. Here's why.

With cash value whole life insurance you can grow your money tax-sheltered. Current dividend rates are about 6 per cent, and have been remarkably steady over time. Additionally, you have guarantees that you will get at least a minimum level of performance.

You can transfer your money to your beneficiaries tax free, and free of probate. And insurance proceeds with a named beneficiary are not subject to the Wills Variation Act.

Cash value whole life insurance is built for estate planning, but you can also access the cash value of the policy while you are still alive.

Most everybody has heard the expression that the only things guaranteed in life are death and taxes. What many people don't realize is that these two things can happen simultaneously.

When it comes to estate planning there are really only four ways to pay the sometimes hefty tax bill that can occur on death. Your estate can sell assets. Perhaps your estate can borrow to pay the tax bill. You can start saving now. Or the fourth way – and often this is the best way – you can use a permanent insurance policy and pay pennies on the dollar.

What keeps me up at night? That's easy. I worry about what will happen for my family after I am no longer around.

That's why it's 3 a.m., and I am thinking about why I need more cash value whole life insurance.

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