

WHY THE WEALTHY USE CASH VALUE WHOLE LIFE INSURANCE IN RETIREMENT (AND WHY IT HAS A BAD REPUTATION)



KEY INSIGHTS

✓ **Guaranteed Protection with Growth Potential**

Cash value whole life insurance provides a death benefit your beneficiaries can rely on, while also building a cash value component that grows steadily over time. This dual purpose makes it both a protective and strategic financial tool.

✓ **A Supplemental Source of Retirement Cash Flow**

The cash value isn't just for show—it can be accessed during retirement to supplement income, helping cover expenses or fund opportunities without relying solely on traditional retirement accounts.

✓ **Tax Advantages That Can Enhance Flexibility**

Policyholders can benefit from tax-deferred growth, and in many cases, take tax-free loans against the cash value. This can provide a source of liquidity that doesn't trigger income taxes, giving retirees more control over their finances.

✓ **Why Some Critics Raise Concerns**

Cash value policies often come with higher premiums compared to term life insurance and can have complex structures that may be difficult to fully understand. Misunderstanding these features has contributed to a reputation of being “expensive” or “overcomplicated,” even though they can be highly strategic when used correctly.