



GIVE THE GIFT OF A LIFETIME

PROVIDE A LASTING CONNECTION FOR A CHILD YOU LOVE





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The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies.

While the policy allows for loans, you should know that there may be little to no cash value available for loans in the policy's early years.

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Giving a participating whole life insurance policy to a child helps you set an example of financial responsibility and emphasize the importance of protecting loved ones. Learn more about ways to give a gift that could last a lifetime and provide a range of benefits throughout your child's life.

HELPING SUPPORT CHILDREN'S DREAMS

Whole life insurance can give children a head start toward realizing their dreams and achieving their financial goals by providing guaranteed life insurance protection and guaranteed cash value accumulation.

As adults, your children can access their policy's cash value¹ for any reason:

- College tuition and expenses
- Funding a wedding
- A down payment on a house
- Starting a business



However, any distributions will reduce the policy's cash value and death benefit, so they should be selective about how they use their policies.





Why Whole Life Insurance for a Child?

Life insurance premiums are based on a number of factors, including a person's age and health. Premiums are generally lower for children because they are young and healthy. Purchasing whole life insurance for children now will help ensure they have guaranteed protection for life, regardless of their future health status.

PREMIUM PAYMENT OPTIONS

Many Whole Life policies offer various premium payment durations. For example, some grandparents select 10 or 20-year premium payments because they can ensure that the policy is fully funded once the child becomes an adult. Some select one-time payments to fund future premiums.

Giving whole life insurance to a child now means lower premiums for you and guaranteed protection for future generations.

WHOLE LIFE CAN GROW WITH THE CHILD

If your children have families of their own one day, they may want to protect them by adding more life insurance. There is an option that allows the insured to purchase more coverage at certain life events (marriage, adoption or birth of a child) or at regular intervals, as needed. This option is available for an additional cost.





IMPORTANT CONSIDERATIONS

LIMITS AND RESTRICTIONS

- Generally, insurance coverage will be limited to a maximum percentage of the coverage on a parent
- All siblings must have an equivalent amount of coverage
- The child must be at least 15 days old
- Ages 15 and younger need parental sign-off even if the policy is owned by a grandparent

WHO SHOULD OWN THE POLICY

Whole life insurance policies on a minor must be owned by parents, grandparents or a trust. There are multiple factors to consider when deciding which arrangements are most appropriate for your situation. These include the size of the policy, control of policy values and gift tax implications. Your financial professional and tax advisor can help you make this important decision.

GIFT TAXES

The Internal Revenue Service limits the amount that you can give tax free to a child in a particular year. For larger premium policies, a properly structured ownership arrangement allows you to take full advantage of those limits. The policy's cash value grows on a tax-deferred basis and may eventually be worth far more than your original gift.





A GIFT THAT GROWS WITH THEM

Children outgrow clothes, toys, and other gifts. Whole life insurance is different. You can give your children a fully funded life insurance policy that will provide:

- Permanent life insurance to protect their own family one day
- Cash value to help fund life's big events
- The option to increase their protection as their family grows

