

# Tax-balanced strategy for high-net-worth clients using *Lincoln AssetEdge*® VUL

## Individual Exec Enhanced Surrender Value Rider

### Diversify your client's financial portfolio to help drive down the tax impact

Your clients want to feel confident knowing they have a policy that protects what's most important in their lives. With *Lincoln AssetEdge*® VUL, a variable universal life insurance policy, they get death benefit protection and growth potential through investment options and the flexibility to meet future financial goals.

#### Individual Exec Enhanced Surrender Value Rider

Add balance to the equation with a tax-focused approach that helps high-income clients minimize the overall tax impact to their financial portfolios. This rider creates the opportunity for liquidity through:



Access to full policy value



No surrender charges

Additional client benefits of the rider include:



Tax-deferred growth potential



Reducing overall tax impact on their financial portfolio

#### ASSET LOCATION VS. ASSET ALLOCATION – WHAT'S THE DIFFERENCE?

**Asset allocation** attempts to balance investment risk and reward by allocating a portfolio's assets according to goals, risk tolerance, and investment timeline.

**Asset location** focuses on the financial vehicle used to hold a portfolio's investments – it's a great way to help control taxes when it comes time to begin distribution.

### The advantage of asset location

Combining the Individual Exec Enhanced Surrender Value Rider with *Lincoln AssetEdge* is an asset location strategy that provides the opportunity for full liquidity and protecting their portfolio from taxes. This strategy may help offset the cost of insurance with more tax savings by providing tax-deferred growth and access to cash with no surrender charges or penalties.\*

\*Any distributions taken by the client will terminate the rider. Loans and withdrawals will reduce the policy's cash value, death benefit and other values.



Ask your Lincoln representative how you can help your high-net-worth clients use asset location to diversify their portfolio and create a tax-balanced approach to managing their financial plans.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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## Qualification criteria for the Individual Exec Enhanced Surrender Value Rider

**Max. issue age:** 70 **Funding requirement:** At least \$75,000 in premium must be paid during any premium paying year.

### Minimum net worth and annual income requirements:

Ages	Net worth	Annual income
30–50	\$2.5M and up	\$250,000 and up
51–70	\$5M and up	\$250,000 and up

Annual income or liquid net worth must support the minimum annualized premium; generally, the minimum premium should not exceed 40% of annual income.

Underwriter discretion to use an "either/or" test based on net worth or annual income.

## Questions to get the conversation started

- Are you looking for an opportunity to diversify your portfolio with a tax-advantaged solution?
- Do you have enough liquid assets in your portfolio?
- Do you have a plan to access cash without surrender charges or penalties?
- Are you satisfied with the tax-efficiency of your portfolio?

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