

CSF 2013 Conference

Successful College Planning:
Opportunity and Momentum in 529 Plans
- 529 Plans and Alternatives for Savings for College



Moderator: Chris Lynch TIAA-CREF Tuition Financing, Inc.

Speaker 1: David Theile, State Farm Life Insurance Co

Speaker 2: George Thacker, Gerber Life Insurance Co

Many Products and Strategies to Reach a Common Goal of Saving for Higher Education

Options Include:

- Coverdale ESA
- Custodial Accounts
- 529 Prepaid Plans
- 529 Savings Plans

Life Insurance

- Primary purpose of life insurance is the death benefit
- Cash value of permanent insurance could be used to help with college expenses*
- For education purposes, life insurance should be on the adult...not the child
- Taxation of life insurance
 - Death benefit is generally received income tax free
 - Cash value grows income tax deferred and can be accessed during lifetime

* Loans and withdrawals will reduce the death benefit and cash value of the policy. Loans will also incur interest

Types of Life Insurance

- Term Insurance
 - “Traditional” term
 - Low initial premium
 - Typically 10, 20 and 30 year term periods
 - Return of Premium:
 - More expensive than traditional premium
 - Premium will be returned to owner at end of initial term period
 - 20 and 30 year durations

Types of Life Insurance

- Permanent Insurance
 - Whole Life
 - Fixed level premiums
 - Guaranteed death benefit and cash value
 - Participating policies may pay a non-guaranteed dividend
 - Universal Life
 - Flexible premiums and ability to increase or decrease coverage
 - Every month, the cost of insurance for the policy and any riders, and any monthly expense charges are deducted from your account value
 - Interest is credited to the account value;
 - Current interest rate may change monthly, but will never be less than the guaranteed rate stated in the policy